CapFloat Financial Services Private Limited

Financial statements
for the year ended March 31, 2023

CapFloat Financial Services Private Limited
Balance Sheet as at March 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	303.45	552.06
Bank balance other than above	5	2,435.24	3,942.01
Receivables			
(i) Trade receivables	6	130.56	8.14
Loans and advances	7	7,522.28	4,185.94
Investments	8	3,930.75	3,825.75
Other financial assets	9	302.49	118.19
2 Non-financial assets			
Current tax assets (net)		97.36	129.89
Property, plant and equipment	10	63.25	51.70
Right-of-use assets	11	70.99	92.18
Intangible assets under development	12	23.35	7.95
Other intangible assets	13	58.90	59.08
Other non-financial assets	14	102.33	97.99
Total assets		**15,040.95**	**13,070.88**
II LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
Payables			
Trade Payables			
(i) total outstanding dues of Micro and Small Enterprises	15	3.69	1.87
(ii) total outstanding dues of creditors other than Micro and Small Enterprises	15	306.41	94.60
Debt securities	16	3,635.05	2,464.53
Borrowings (other than debt securities)	17	3,496.54	1,974.55
Other financial liabilities	18	406.97	638.90
2 Non-financial liabilities			
Provisions	19	292.69	153.46
Other non-financial liabilities	20	148.38	118.25
Total liabilities		**8,289.73**	**5,446.16**
Equity			
Equity Share Capital	21	15.78	15.78
Instruments entirely Equity in nature	21	648.56	648.56
Other equity	22	6,086.88	6,960.38
Total equity		**6,751.22**	**7,624.72**
Total liabilities and equity		**15,040.95**	**13,070.88**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

For and on behalf of the Board of Directors of CapFloat Financial Services Private Limited

Gaurav Dinesh Hinduja
Director
DIN : 01264801

Sashank R Rishyashringa
Director
DIN : 06466985

Akshay Sarma
Chief Financial Officer
Place: Bengaluru
Date: June 26, 2023

Impana H P
Company Secretary
Membership No. A59531
Place: Bengaluru
Date: June 26, 2023

CapFloat Financial Services Private Limited *

CapFloat Financial Services Private Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

		Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
		Revenue from operations			
	(i)	Interest income	23	1,269.03	871.95
	(ii)	Fee income	24	368.77	126.16
	(iii)	Net gain on fair value changes	25	87.83	43.64
	(iv)	Gain on sale and assignment of loans		108.51	30.91
(I)		**Total revenue from operations**		**1,834.14**	**1,072.66**
(II)		Other income	26	158.64	79.81
(III)		**Total income (I + II)**		**1,992.78**	**1,152.47**
		Expenses			
	(i)	Finance cost	27	832.29	540.29
	(ii)	Impairment on financial instruments	28	913.11	222.86
	(iii)	Employee benefit expenses	29	513.55	640.29
	(iv)	Depreciation, amortization and impairment	30	90.54	83.31
	(v)	Other expenses	31	646.70	461.36
(IV)		**Total expenses (IV)**		**2,996.19**	**1,948.11**
(V)		**Profit/(loss) for the year before exceptional items and tax(III-IV)**		**(1,003.41)**	**(795.64)**
(VI)		**Exceptional items:**			
		Gain on slump sale		-	619.04
(VII)		**Profit/(loss) for the year before tax(V-VI)**		**(1,003.41)**	**(176.60)**
		Tax Expense:			
		(a) Current tax		-	-
		(b) Deferred tax		-	-
(VIII)		**Total Tax expense**		-	-
(IX)		**Profit/(loss) for the year (VII-VIII)**		**(1,003.41)**	**(176.60)**
(X)		**Other comprehensive income**			
	A	**Items that will not be reclassified to profit or loss**			
		Remeasurement gain/(loss) on defined benefit plan		1.83	(3.01)
		Income tax impact		-	-
		Total (A)		**1.83**	**(3.01)**
	B	**Items that will be classified to profit or loss**		-	-
		Other comprehensive income (A + B)		**1.83**	**(3.01)**
(XI)		**Total comprehensive income for the year**		**(1,001.58)**	**(179.61)**
(XII)		**Earnings per share(Nominal value per share Rs.10)**			
		Basic (Rs.)	33	(121.33)	(22.85)
		Diluted (Rs.)		(121.33)	(22.85)

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
CapFloat Financial Services Private Limited

Gaurav Dinesh Hinduja
Director
DIN : 01264801

Sashank R Rishyashringa
Director
DIN : 06466985

Akshay Sarma
Chief Financial Officer
Place: Bengaluru
Date: June 26, 2023

Impana H P
Company Secretary
Membership No. A59531
Place: Bengaluru
Date: June 26, 2023

CapFloat Financial Services Private Limited

CapFloat Financial Services Private Limited
Statement of Cash Flows for the year ended March 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Operating activities		
Profit/(Loss) before tax	**(1,003.41)**	**(176.60)**
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation & amortisation	90.54	83.31
Impairment on financial instruments	765.72	68.40
Share based payment to employees	68.97	47.28
Loss/(Profit) on sale/write off of fixed assets (Net)	2.18	21.89
Interest on Lease liabilities	13.02	12.18
Impact of Effective Interest rate on Borrowings	(5.44)	(21.38)
Finance cost expenses	791.40	554.35
Payment of Finance cost	(749.10)	(555.85)
Gain on slump sale	-	(619.04)
Lease modifications	(0.98)	(1.02)
Operating Loss Before Working Capital Changes	**(27.10)**	**(586.48)**
Working capital changes		
Increase in trade payables	213.63	35.42
(Decrease)/Increase in financial liabilities	(209.49)	233.75
Increase in other liabilities	30.13	43.86
(Decrease)/Increase in provisions	(30.97)	4.49
(Increase)/Decrease in loans and advances	(3,929.09)	589.64
(Increase)/Decrease in financial assets	(144.02)	754.07
Increase in other assets	(4.34)	(3.06)
(Increase)/Decrease in trade receivables	(123.28)	25.03
Decrease/(Increase) in Bank Balances other than Cash & Cash equavalents	1,506.77	(1,941.13)
Income tax refund(Net)	32.53	48.96
Net cash flows from operating activities	**(2,685.23)**	**(795.45)**
Investing activities		
Purchase of property, plant & equipment ('PPE') including intangible assets	(64.20)	(25.60)
Sale proceeds from PPE (Other than Slump sale)	2.43	7.14
Proceeds against Slump sale of business to Subsidiary	-	600.80
Investment in subsidiary	(105.00)	(2,679.81)
Net cash flows used in investing activities	**(166.77)**	**(2,097.47)**
Financing activities		
Proceeds from issue of Equity Share Capital*	-	-
Proceeds from issue of Preference Share Capital	-	221.66
Proceeds from Securities Premium on issue of Share Capital	-	3,324.34
Payment of securities issue expenses	-	(79.16)
Principal repayment of lease liabilities	(52.25)	(30.69)
Interest on Lease liabilities	(13.02)	(12.18)
Proceeds from debt securities	4,723.66	1,923.50
Repayment of debt securities	(3,569.54)	(1,771.45)
Proceeds from borrowings other than debt securities	6,590.68	3,598.51
Repayment of borrowings other than debt securities	(5,076.14)	(3,860.67)
Net cash flows (used in)/from financing activities	**2,603.39**	**3,313.86**
Net (decrease)/increase in cash and cash equivalents	**(248.61)**	**420.94**
Cash and cash equivalents at April 1	552.06	131.12
Cash and cash equivalents at March 31	**303.45**	**552.06**

*Represents amounts less than Rs.10,000/- (Current Year: Rs - Nil, Previous Year: Rs - 100)

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian accounting standard (Ind AS) - 7 - 'Statement of Cash Flows'.
2. Component of cash and cash equivalents disclosed in 'Note 4: Cash and cash equivalent'
3. **Operational cash flows from interest and dividends**

Finance costs paid	749.10	555.85
Interest received	1,113.11	753.40
Dividend received	Nil	Nil

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

For and on behalf of the Board of Directors of
CapFloat Financial Services Private Limited

Gaurav Dinesh Hinduja
Director
DIN : 01264801

Sashank R Rishyashringa
Director
DIN : 06466985

Akshay Sarma
Chief Financial Officer
Place: Bengaluru
Date: June 26, 2023

Impana H P
Company Secretary
Membership No. A59531
Place: Bengaluru
Date: June 26, 2023

CapFloat Financial Services Private Limited *

CapFloat Financial Services Private Limited
Statement of changes in Equity for the year ended March 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

A. Equity Share capital

1. Current Reporting Period

Particulars	Balance as at the April 01, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 01, 2022	Changes in equity share capital during the current year	Balance as at March 31, 2023
Equity Share capital	15.78	-	15.78	-	15.78
Total	**15.78**	-	**15.78**	-	**15.78**

2. Previous Reporting Period

Particulars	Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the previous year	Balance as at March 31, 2022
Equity Share capital	15.78	-	15.78	-	15.78
Total	**15.78**	-	**15.78**	-	**15.78**

B. Instruments entirely equity in nature

1. Current Reporting Period

Particulars	Balance as at the April 01, 2022	Changes in Instruments due to prior period errors	Restated balance as at the April 01, 2022	Changes in Instruments during the current year	Balance as at March 31, 2023
Compulsorily Convertible Preference Shares	648.56	-	648.56	-	648.56
Total	**648.56**	-	**648.56**	-	**648.56**

2. Previous Reporting Period

Particulars	Balance as at the April 01, 2021	Changes in Instruments due to prior period errors	Restated balance as at April 01, 2021	Changes in Instruments during the current year	Balance as at March 31, 2022
Compulsorily Convertible Preference Shares	426.90	-	426.90	221.66	648.56
Total	**426.90**	-	**426.90**	**221.66**	**648.56**

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

CapFloat Financial Services Private Limited
Statement of changes in Equity for the year ended Mar 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

C. Other Equity

1. Current reporting period

Particulars	Reserves and Surplus				Other Comprehensive Income (Fair valuation of Employee benefit obligation)	Total
	Securities Premium	Statutory Reserve	Share Option Outstanding	Retained Earnings		
Balance as at April 01, 2022	11,806.89	0.08	1,181.67	(6,039.39)	11.13	6,960.38
Profit / (Loss) for the year / Other Comprehensive Income for the year	-	-	-	(1,003.41)	1.83	(1,001.58)
Add : Received during the year in cash	-	-	-		-	-
Add : Transferred from Employee Stock Option reserve for shares exercised by employees (non-cash)	-	-	-	-	-	-
Less : Securities issue expenses	-	-	-	-	-	-
Add : Transferred from Statement of Profit and Loss	-	-	68.97	-	-	68.97
Add : Capitalized during the year	-	-	18.76	-	-	18.76
Add : On issuance of stock options to employees of subsidiary	-	-	40.35	-	-	40.35
Less: Options exercised during the year	-	-	-	-	-	-
Less: Transferred to Share Capital on issue of shares	-	-	-	-	-	-
Less: Transfer to securities premium on issue of preference share	-	-	-	-	-	-
Balance as at March 31, 2023	11,806.89	0.08	1,309.75	(7,042.80)	12.96	6,086.88

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

2. Previous reporting period

Particulars	Reserves and Surplus				Other Comprehensive Income (Fair valuation of Employee benefit obligation)	Total
	Securities Premium	Statutory Reserve	Share Option Outstanding	Retained Earnings		
Balance as at March 31, 2021	8,561.71	0.08	1,130.04	(5,862.79)	14.14	3,843.18
Profit / (Loss) for the year / Other Comprehensive Income for the year	-	-	-	(176.60)	(3.01)	(179.61)
Add : Received during the year in cash	3,324.34	-	-	-	-	3,324.34
Add : Transferred from Employee Stock Option reserve for shares exercised by employees (non-cash)	-	-	-	-	-	-
Less : Securities issue expenses	(79.16)	-	-	-	-	(79.16)
Add : Transferred from Statement of Profit and Loss	-	-	47.28	-	-	47.28
Add : Capitalized during the year	-	-	1.55	-	-	1.55
Add : On issuance of stock options to employees of subsidiary	-	-	2.80	-	-	2.80
Less: Options exercised during the year	-	-	-	-	-	-
Less: Transferred to Share Capital on issue of shares	-	-	-	-	-	-
Less: Transfer to securities premium on issue of preference share	-	-	-	-	-	-
Balance as at March 31, 2022	11,806.89	0.08	1,181.67	(6,039.39)	11.13	6,960.38

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

For and on behalf of the Board of Directors of CapFloat Financial Services Private Limited

Gaurav Dinesh Hinduja
Director
DIN : 01264801

Sashank R Rishyashringa
Director
DIN : 06466985

Akshay Sarma
Chief Financial Officer
Place: Bengaluru
Date: June 26, 2023

Impana H P
Company Secretary
Membership No. A59531
Place: Bengaluru
Date: June 26, 2023

CapFloat Financial Services Private Limited *

Note 1: Corporate Information

CapFloat Financial Services Private Limited ('the Company') is a Non-Banking Financial Institution ('NBFC') incorporated on October 6, 1993.The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on January 16, 2001 to commence / carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company is engaged in providing online checkout finance ("OCF") and personal loans to individuals. The Company was formerly known as "Zen Lefin Private Limited" and its name has been changed to "CapFloat Financial Services Private Limited" with effect from June 12, 2018 pursuant to RBI confirmation on name change. The Company's registered office is at No. 3, Gokaldas Platinum, Upper Palace Orchards, Bellary Road, Sadashivnagar, Bangalore – 560080.

The Company acquired on September 6, 2018, a majority stake in Thumbworks Technologies Private Limited ('Walnut') which is in the business of providing personal finance and transaction management services to customers through web and mobile-based platforms. Walnut has since then become a subsidiary of the Company.

The Company has incorporated and invested in Axio Capital Private Limited ('Axio Capital') as its wholly owned subsidiary which is incorporated to carry out business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. As on March 31, 2023, the certificate of registration from RBI is still awaited.

Note 2: Basis of preparation and presentation

a. Basis of preparation

The financial statements for the year ended March 31, 2023 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. 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.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in millions and rounded off to the nearest two decimals, except when otherwise indicated.

d. Presentation of financial statements

The financial statements of the Company are presented as per Division III of the Schedule III to the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 37 - Maturity analysis of assets and liabilities. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

e. Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

Note 3: Significant accounting policies

3.1. Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3.18 - Critical judgements in applying accounting polices.

3.2. Revenue from operations

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.

Revenue includes the following:

a) Interest Income
Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost and at fair value through other comprehensive (FVOCI) income.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

b) Fees and Commission Income:
Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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.

c) Other Income

All other charges such as cheque return charges, overdue charges, penal interest, etc. are recognised on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

3.3.1 Initial recognition

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

3.3.2 Initial measurement

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

3.3.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

CapFloat Financial Services Private Limited

3.3.4 Classification and Subsequent measurement of financial instruments

1. Financial assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

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

The Contractual Cash Flow Test (i.e. SPPI test)

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the Solely for Payment of Principal and Interest (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 the 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 currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimise 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.

i) Financial assets measured at amortised cost

These financial assets comprise bank balances, loans, trade receivables, and other financial assets which comply with SPPI test.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets 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.

Subvention income on loans is included in the EIR and recognised as interest income over the tenor of the loan.

ii) Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income where they have:
a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
b) Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

iii) Financial assets measured at fair value through profit and loss

Financial assets that do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

Items at fair value through profit or loss comprise:
a) Investments (including equity shares) and stock in trade held for trading;
b) Items specifically designated as fair value through profit or loss on initial recognition; and
c) Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

2. Financial Liabilities and Equity Instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. Financial Liabilities

i) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the EIR.

The Company has issued financial instruments with equity conversion rights. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Disclosures for the Company's issued debt are set out in Note 16: Debt securities.

ii) Loan commitments:

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

4. Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

3.3.5 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 subsequent to initial recognition and classification.

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3.3.6 Derecognition of financial assets and financial liabilities

1. Derecognition of 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 rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:
i) The Company has transferred its contractual rights to receive cash flows from the financial asset, or
ii) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
i) The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
ii) The Company cannot sell or pledge the original asset other than as security to the eventual recipients
iii) The Company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:
i) The Company has transferred substantially all the risks and rewards of the asset, or
ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Modification of loans

The company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the company assesses whether or not the new terms are substantially different to the original terms.
If the terms are substantially different, the company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de recognition.
If the terms are not substantially different, the renegotiation or modification does not result in de recognition, and the company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

2. Derecognition of financial liabilities

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 de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.3.7 Impairment of financial assets

Overview of the ECL principles

The Company recognises loss allowances for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs and debt instruments at fair value through other comprehensive income account.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:
i. debt instruments measured at amortised cost and fair value through other comprehensive income;
ii. loan commitments; and
iii. financial guarantee contracts.
Investment in Equity instruments of subsidiaries are subject to impairment under Ind AS 36.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below by comparing the credit risk of the financial instrument as at the reporting date, with its credit risk as at the date of initial recognition.

Stage 1: 12-months ECL

Stage 2: Lifetime ECL – not credit impaired

Stage 3: Lifetime ECL – credit impaired
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. More than or equal to 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. Restructured assets, excluding one time restructure due to Covid-19, in the ordinary course of business are also classified in this stage.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

Loan commitments
When estimating lifetime ECL, 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 of that to be drawn loan. The ECLs related to loan commitments are recognised within "Provisions".

Financial Guarantee Contracts
The Company's liability under each guarantee is measured based on expected credit loss of provision on contracts less cumulative amount recognised till date for the same. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs and compares it with Financial gaurantee on these contracts. The ECL for the same are recognised within "Provisions".

Trade Receivables
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates based on management judgement. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. 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. The concept of PD is further explained in Note 46: Risk Management.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The concept of EAD is further explained in Note 46: Risk Management.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 46: Risk Management.

Forward Looking information
While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

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Collateral valuation

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of collateral in its taxi portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

a) Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

b) Loan commitments and financial guarantee contracts: generally, as a provision;

c) Where a financial instrument includes both a drawn and an undrawn component, and the company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

d) Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

3.4. Determination of Fair Value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 45 at fair value on each balance sheet date).

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

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.5 Expenses

3.5.1 Retirement and other employee benefits

Short term employee benefit

All employee benefits including short term compensated absences and statutory bonus/ performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are charged to the Statement of Profit and Loss of the year.

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Post-employment employee benefits

a) Defined contribution schemes

Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company's contributions to the above Plan are charged to the Statement of Profit and Loss.

b) Defined Benefit schemes

Gratuity

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

Leave encashment

The employees of the Company are entitled to compensated absence and deferred compensation as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

3.5.2 Share-based payments

Employees of the Company also receives remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of equity instruments at the grant date. Details regarding determination of the fair value of equity settled share based payments transactions are set out in Note 35.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based payments reserve. Further Company has granted ESOPs to employees of the subsidiary, the related cost has been transferred to subsidiary and recorded as receivable from the subsidiary.

The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of diluted earnings per share.

The Company operates its Employee Stock Option Scheme through a trust formed for the purpose. Equity shares are issued to the trust on the basis of the Company's expectation of the options being exercised by employees. Such Trust is considered as an extension of the Company and accordingly assets and liabilities of the Trust are included in the Separate Financial Statements of the Company. Shares of the Company held by the Trust are considered as "Treasury Shares" and accordingly adjusted from the paid up capital of the Company.

3.5.3 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.5.4 Taxes

Income tax expense comprises of current and deferred income tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. 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. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

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

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ii) Deferred Taxes

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:
· Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
· In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

· When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
· In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items 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 directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Cash Flow Statement
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.8 Investment in subsidiaries
Investment in subsidiaries are measured at cost less accumulated impairment, if any.

3.9 Property, plant and equipment
Tangible Assets
An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management.

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The estimated useful lives are, as follows:

Particulars	Useful lives estimated by the Management (Same as specified in Schedule II of the Companies Act, 2013)
Computers & Printers	3 years
Servers	6 years
Electronic Equipment	5 years
Leasehold Improvements	Over the lease term
Office equipment	5 years
Electrical installations and fittings	10 years
Furniture and fixtures	10 years
Intangible assets	3-5 years
Vehicles	8 years

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

Property and equipment 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 operating income in the Statement of profit and loss in the year in which the asset is derecognised.

Intangible Assets

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. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development". Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Internally generated intangible asset is amortised over a period of five years. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortises the intangible asset over the best estimate of its useful life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Derecognition

An item of property, plant and equipment, intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, an estimate of the recoverable amount of the asset / cash generating unit (CGU) is made. Recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU).

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

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3.11 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

The right-of-use assets are also subject to impairment. (Refer to the accounting policies on Impairment of non-financial assets.)

ii) Lease liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities (Refer Note 18).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

3.13 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 / value added taxes paid, except:
a) When the tax incurred on a purchase of assets or 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.
b) When receivables and payables are stated with the amount of tax included.

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.

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3.14 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. Equity shares that will be issued upon conversion of mandatorily convertible instruments are included in the calculation of Basic EPS from the date the contract is entered into.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.15 Contingencies and events occurring after the Balance Sheet date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

3.16 Foreign currency transaction

Foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denoted in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates. Resultant exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency at the Balance Sheet date are reported using exchange rates at the date of the transaction.

3.17 Special Reserve

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and loss before any dividend is declared.

3.18 Significant accounting judgements, estimates and assumptions

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

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

3.18.1 Critical judgements in applying accounting polices :

3.18.1.1 Business model assessment:

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is 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 that are derecognised prior to their maturity to understand the quantum, 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.

3.18.2 Key source of estimation uncertainty :

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the 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.

3.18.2.1 Fair value of financial instruments:

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

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3.18.2.2 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.2, 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 life cycle of the instrument, as well expected changes to India's base rate and other fee income/expenses that are integral part of the instrument.

3.18.2.3 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgment, 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 ECL calculations are outputs of 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:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- 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 and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- The impact of COVID -19 on the global economy and how government, business and consumer is uncertain This uncertainty is reflected in the Company's assessment of impairment allowance on its loans which are subject to a number of management judgement and estimated. While methodologies and assumption applies remain unchanged. Company has separately incorporated estimates, assumption and judgements specific to the impact of COVID -19 pandemic.

In terms of the requirements as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting standard , Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowance under Ind AS 109 and Income Recognition , Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.
It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.18.2.4 Impairment of non financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.18.2.5 Provision and 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 its 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 probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

3.18.2.6 Leases- Estimating the Incremental Borrowing Rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

3.18.2.7 Defined employee benefit assets and liabilities

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

3.18.2.8 Share Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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3.19 Recent pronouncements

On March 31, 2023, Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 ('the Rules'), applicable for annual reporting periods beginning on or after April 01, 2023, which are as below

Ind AS 1 – Presentation of Financial Statements

Entities are required to disclose its 'material accounting policy information' instead of its 'significant accounting policies'. Guidance has been added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments also clarify that (a) accounting policy information may be material because of its nature, even if the related amounts are immaterial; (b) accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and (c) if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. These amendments are not expected to have any material impact on the financial statements of the Company.

Ind AS 8 – Accounting policies, Changes in Accounting estimates and Error

The definition of 'change in accounting estimates' is replaced with a definition of 'accounting estimates'. As per the new definition accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments have also added explanation for treatment and recognition of changes in accounting estimates. These amendments are not expected to have any material impact on the financial statements of the Company.

Ind AS 12 – Income taxes

Transactions which give rise to equal taxable and deductible temporary differences (at time of the transaction) have been added to exceptions to the initial recognition exemption provided in the Ind AS 12. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented and requires recognition of the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. These amendments are not expected to have any impact on the financial statements of the Company.

Other Ind AS

Amendments pertaining to other Ind AS [i.e. Ind AS 34 - Interim Financial Reporting, Ind AS 101 – First Time Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments Disclosures, Ind AS 109 – Financial Instruments and Ind AS 115 – Revenue from Contracts with Customers] contained the said Rules are in the nature of either certain corrections of errors/references or consequential changes in respect of the above mentioned amendments and do not have any material impact on existing accounting principles.

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Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

Note 4: Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.01	0.01
Balances with bank accounts	303.44	552.05
Bank deposit with maturity of less than 3 months	-	-
Total	**303.45**	**552.06**

Note 5: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposit with bank*	2,435.24	3,942.01
Total	**2,435.24**	**3,942.01**

Short term deposits are made for varying periods between one day and three months,depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Fixed deposits and other balances with banks earn interest at fixed rate

*Includes INR 2412.71 million (March 31, 2022: INR 3128.76 million) Fixed Deposit lien marked to Banks towards guarantee, as security for term loans, loans colent by them and as a cash collateral towards securitization and overdraft facilities.

Note 6: Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Undisputed Trade receivables – considered good	131.09	8.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	3.55	3.18
(iv) Disputed Trade Receivables–considered good	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-
Gross Total	**134.64**	**11.35**
Less : Impairment loss allowance	4.08	3.21
Total	**130.56**	**8.14**

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2023						
(i) Undisputed Trade receivables – considered good	131.09	-	-	-	-	131.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.73	-	-	0.82	3.55
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross Total	**131.09**	**2.73**	**-**	**-**	**0.82**	**134.64**
Less : Impairment loss allowance	0.53	2.73	-	-	0.82	4.08
Total	**130.56**	**-**	**-**	**-**	**-**	**130.56**
March 31, 2022						
(i) Undisputed Trade receivables – considered good	8.17	-	-	-	-	8.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.36	-	-	0.82	3.18
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross Total	**8.17**	**2.36**	**-**	**-**	**0.82**	**11.35**
Less : Impairment loss allowance	0.03	2.36	-	-	0.82	3.21
Total	**8.14**	**-**	**-**	**-**	**-**	**8.14**

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Notes to financial statements for the year ended March 31, 2023
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Note 7: Loans (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised cost:		
Term loans	7,502.65	4,582.83
Loan to related party	429.75	-
Total Gross	7,932.40	4,582.83
Less: Impairment loss allowance	(410.12)	(396.89)
Total Net	**7,522.28**	**4,185.94**
Secured by tangible assets (hypothecation of equitable mortgage of immovable property etc.)	-	0.14
Covered by bank/government guarantees	-	785.79
Unsecured	7,932.40	3,796.90
Total Gross	7,932.40	4,582.83
Less: Impairment loss allowance	(410.12)	(396.89)
Total Net	**7,522.28**	**4,185.94**
Loans in India		
Public sector	-	-
Others	7,932.40	4,582.83
Total Gross	7,932.40	4,582.83
Less: Impairment loss allowance	(410.12)	(396.89)
Total Net	**7,522.28**	**4,185.94**

The Company has got itself registered as a member of the guarantee facility for its loan portfolio under the Credit Guarantee Fund Trust for Micro, Small and Medium Enterprises, a scheme set up by Government of India and SIDBI. The Company has paid a premium of Nil million for the year ended March 31, 2023 (March 31, 2022 : Rs. 3.55 million) in respect of the total pool of eligible loans amounting to Nil million as at March 31, 2023 (March 31,2022 : Rs. 785.79 million) that are covered under such guarantee facility.

Analysis of risk categorisation

As at March 31, 2023

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	7,369.32	-	-	7,369.32
Standard grade	-	-	-	-
Sub-standard grade (including restructured assets)	-	310.03	-	310.03
Past due before impairment (including restructured assets)	-	45.63	-	45.63
Non- performing				
Individually impaired (including restructured assets)	-	-	207.42	207.42
Total	**7,369.32**	**355.66**	**207.42**	**7,932.40**

As at March 31, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	3,903.10	-	-	3,903.10
Standard grade	0.14	-	-	0.14
Sub-standard grade (including restructured assets)	-	376.55	-	376.55
Past due before impairment (including restructured assets)	-	80.82	-	80.82
Non- performing				
Individually impaired (including restructured assets)	-	-	222.22	222.22
Total	**3,903.24**	**457.37**	**222.22**	**4,582.83**

Reconciliation of gross carrying amount

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2022	**3,903.23**	**457.37**	**222.22**	**4,582.83**
New assets originated or purchased*	6,974.05	216.13	147.30	7,337.48
Assets derecognised or repaid (excluding write offs)	(3,206.48)	(163.50)	(38.41)	(3,408.39)
Transfers to Stage 1	1.37	(0.72)	(0.65)	-
Transfers to Stage 2	(37.70)	38.18	(0.47)	-
Transfers to Stage 3	(22.99)	(13.12)	36.11	-
Amounts written off	(242.17)	(178.68)	(158.67)	(579.52)
Gross carrying amount as at March 31, 2023	**7,369.32**	**355.66**	**207.42**	**7,932.40**

*includes adjustment on account of EIR

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As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**4,486.06**	**795.97**	**237.12**	**5,519.15**
New assets originated or purchased*	3,079.94	173.29	105.61	3,358.84
Assets derecognised or repaid (excluding write offs)	(3,451.51)	(215.99)	(30.24)	(3,697.74)
Transfers to Stage 1	9.09	(9.04)	(0.05)	-
Transfers to Stage 2	(64.86)	65.71	(0.85)	-
Transfers to Stage 3	(28.75)	(74.09)	102.84	-
Amounts written off	(126.74)	(278.48)	(192.21)	(597.43)
Gross carrying amount as at March 31, 2022	**3,903.23**	**457.37**	**222.22**	**4,582.83**

*includes adjustment on account of EIR

Impairment allowance for loans to customers

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2022	**77.82**	**160.55**	**158.49**	**396.89**
Assets derecognised or repaid	(50.43)	(127.96)	(137.20)	(315.59)
New assets originated	368.75	257.84	259.93	886.52
Transfers to Stage 1	0.33	(0.30)	(0.03)	-
Transfers to Stage 2	(0.94)	1.11	(0.16)	-
Transfers to Stage 3	(0.49)	(3.72)	4.21	-
Impact on year end ECL of Exposures transferred between stages during the year	(0.27)	11.74	23.30	34.77
Changes to models and inputs used for ECL calculations	(17.84)	4.88	0.01	(12.95)
Exposure written off	(242.16)	(178.67)	(158.69)	(579.52)
Impairment allowance for loans to customers as at March 31, 2023	**134.78**	**125.47**	**149.85**	**410.12**

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**208.47**	**319.74**	**199.18**	**727.39**
Assets derecognised or repaid	(86.40)	(78.55)	(17.48)	(182.43)
New assets originated	55.76	54.08	70.36	180.21
Transfers to Stage 1	4.12	(4.08)	(0.04)	
Transfers to Stage 2	(2.27)	2.93	(0.66)	0.00
Transfers to Stage 3	(0.84)	(16.77)	17.61	-
Impact on year end ECL of Exposures transferred between stages during the year	(3.45)	19.76	60.08	76.39
Changes to models and inputs used for ECL calculations	(1.23)	29.71	(0.03)	28.45
Provision reversal due to amounts moved to written off	(5.10)	(118.42)	(141.78)	(265.30)
Provision reversal due to methodology change	(25.53)	(47.85)	(28.75)	(102.12)
Impact of Management Overlay on ECL	(65.71)	-	-	(65.71)
Impairment allowance for loans to customers as at March 31, 2022	**77.82**	**160.55**	**158.49**	**396.89**

Note 8: Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments (at cost)		
A) In India		
Subsidiaries-		
i. Axio Digital Pvt Ltd	3,825.75	3,825.75
1,07,26,206 (PY: 1,07,26,206) fully paid up Equity shares of Rs. 10/- each		
ii. Axio Capital Pvt Ltd	105.00	-
1,05,00,000 (PY: Nil) fully paid up Equity shares of Rs. 10/- each		
Total Gross	3,930.75	3,825.75
Less : Allowance for impairment loss	-	-
Total - Net	3,930.75	3,825.75

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(All amounts in Rs. millions, unless otherwise stated)

Note 9: Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	10.70	10.02
Interest receivable on assignment of loans	72.83	-
Other receivables (includes amounts due from subsidiary)*	219.31	108.46
Less: Impairment allowance	(0.35)	(0.29)
Total	**302.49**	**118.19**

* Includes receivable from subsidiary Rs. 103.95 million (March 31, 2022: Rs. 62.58 million)

The disclosure below is only in respect of other receivables on which impairment allowance is recognised by the management which include receivable from related party. For the balance amount of other receivables to the tune of INR 126.06 million (March 31, 2022 INR 55.89 million), which includes Security deposits, Advances recoverable in cash or in kind and Others, where the management does not perceive any credit risk and hence impairment allowance is not recognised on the same.

The table below shows the credit quality and the maximum exposure to credit risk per based on the company's internal credit grading system and year-end stage classification.

As at March 31, 2023

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	176.78	-	-	176.78
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Past due before impairment	-	-	-	-
Non- performing	-	-	-	
Individually impaired (including restructured assets)	-	-	-	-
Total	**176.78**	**-**	**-**	**176.78**

As at March 31, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	62.58	-	-	62.58
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Past due before impairment	-	-	-	-
Non- performing				
Individually impaired (including restructured assets)	-	-	-	-
Total	**62.58**	**-**	**-**	**62.58**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Other Receivable is, as follows:
Reconciliation of gross carrying amount

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2022	**62.58**	**-**	**-**	**62.58**
New assets originated or purchased	114.20	-	-	114.20
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2023	**176.78**	**-**	**-**	**176.78**

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**767.24**	**-**	**-**	**767.24**
New assets originated or purchased	62.58	-	-	62.58
Assets derecognised or repaid (excluding write offs)	(767.24)	-	-	(767.24)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2022	**62.58**	**-**	**-**	**62.58**

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Impairment allowance for loans to customers

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2022	**0.29**	**-**	**-**	**0.29**
New assets originated	0.06	-	-	0.06
Assets derecognised or repaid	-	-	-	-
Impact on year end ECL of Exposures transferred between stages during the year	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2023	**0.35**	**-**	**-**	**0.35**

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**3.50**	**-**	**-**	**3.50**
New assets originated	(3.21)	-	-	(3.21)
Assets derecognised or repaid	-	-	-	-
Impact on year end ECL of Exposures transferred between stages during the year	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2022	**0.29**	**-**	**-**	**0.29**

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Notes to financial statements for the year ended March 31, 2023
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Note 10: Property, plant and equipment

Particulars	Computers & Printers	Servers	Office Equipments	Furniture & Fixtures	Electrical Installations and Fittings	Electronic Equipment	Leasehold Improvements	Vehicles	Total
Gross block									
Cost as at April 1, 2022	31.17	2.65	20.47	16.87	9.38	18.51	46.32	13.90	159.27
Additions	19.19	1.10	0.27	0.17	0.20	3.65	0.06	12.73	37.37
Disposals	(0.53)	-	(0.22)	(2.36)	(0.45)	(0.66)	(1.77)	(3.17)	(9.16)
At March 31, 2023	**49.83**	**3.75**	**20.52**	**14.68**	**9.13**	**21.50**	**44.61**	**23.46**	**187.48**
Depreciation and impairment:									
At April 1, 2022	15.09	1.31	17.21	7.28	3.89	15.45	42.96	4.38	107.57
Disposals	(0.52)	-	(0.22)	(1.32)	(0.23)	(0.34)	(1.67)	(1.54)	(5.84)
Depreciation charge for the period	11.04	0.44	2.73	1.79	1.00	1.88	0.74	2.87	22.49
At March 31, 2023	**25.61**	**1.75**	**19.72**	**7.75**	**4.66**	**16.99**	**42.03**	**5.71**	**124.22**
Net book value:									
At April 1, 2022	**16.08**	**1.34**	**3.26**	**9.59**	**5.49**	**3.06**	**3.36**	**9.52**	**51.70**
At March 31, 2023	**24.22**	**2.00**	**0.80**	**6.93**	**4.47**	**4.51**	**2.58**	**17.75**	**63.25**

Particulars	Computers & Printers	Servers	Office Equipments	Furniture & Fixtures	Electrical Installations and Fittings	Electronic Equipment	Leasehold Improvements	Vehicles	Total
Gross block									
Cost as at April 1, 2021	34.86	1.86	20.42	16.87	9.38	16.68	46.32	18.74	165.13
Additions	14.65	0.79	0.05	-	-	1.83	-	0.41	17.73
Disposals	(12.11)	-	-	-	-	-	-	(5.25)	(17.36)
Slump sale (Refer note 49)	(6.23)	-	-	-	-	-	-	-	(6.23)
At March 31, 2022	**31.17**	**2.65**	**20.47**	**16.87**	**9.38**	**18.51**	**46.32**	**13.90**	**159.27**
Depreciation and impairment:									
At April 1, 2021	25.84	0.92	13.07	5.35	2.88	11.94	41.35	4.44	105.79
Disposals	(12.10)	-	-	-	-	-	-	(2.06)	(14.16)
Slump sale (Refer note 49)	(5.96)	-	-	-	-	-	-	-	(5.96)
Depreciation charge for the year	7.31	0.39	4.14	1.93	1.01	3.51	1.61	2.00	21.90
At March 31, 2022	**15.09**	**1.31**	**17.21**	**7.28**	**3.89**	**15.45**	**42.96**	**4.38**	**107.57**
Net book value:									
At April 1, 2021	**9.02**	**0.94**	**7.36**	**11.52**	**6.50**	**4.74**	**4.97**	**14.30**	**59.34**
At March 31, 2022	**16.08**	**1.34**	**3.26**	**9.59**	**5.49**	**3.06**	**3.36**	**9.52**	**51.70**

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Note 11: Right-of-use assets

Particulars	Right-of-use Building
Gross block	
At April 1, 2022	250.90
Additions	18.10
Disposals	(9.56)
At March 31, 2023	**259.44**
Depreciation and impairment:	
At April 1, 2022	158.72
Disposals	(9.23)
Depreciation charge for the year	38.96
At March 31, 2023	**188.45**
Net book value:	
At April 1, 2022	**92.18**
At March 31, 2023	**70.99**

Particulars	Right-of-use Building
Gross block	
At April 1, 2021	165.87
Additions	87.48
Disposals	(2.45)
At March 31, 2022	**250.90**
Depreciation and impairment:	
At April 1, 2021	127.48
Disposals	(1.63)
Depreciation charge for the year	32.87
At March 31, 2022	**158.72**
Net book value:	
At April 1, 2021	**38.39**
At March 31, 2022	**92.18**

Note 12: Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	7.95	39.56
Additions	16.80	3.51
Capitalised	(1.21)	(19.46)
Written off	(0.21)	(15.66)
Balance at the end of the year	**23.35**	**7.95**

Note 12.1: Intangible assets under development ageing

Particulars	Amount in WIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress	16.80	6.55	-	-	**23.35**
Projects temporarily suspended	-	-	-	-	**-**

Particulars	Amount in WIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Projects in progress	3.51	4.24	0.20	-	**7.95**
Projects temporarily suspended	-	-	-	-	**-**

The company did not have any project which were overdue or exceeded its cost compared to it's original plan.

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Note 13: Other intangible assets

Particulars	Computer Software	Internally Generated assets	Total
Gross block			
Cost as at April 1, 2022	34.23	108.25	142.48
Additions	3.48	25.43	28.91
Disposals/Deletions	-	-	-
At March 31, 2023	**37.71**	**133.68**	**171.39**
Accumulative amortisation and impairment:			
At April 1, 2022	32.37	51.03	83.40
Disposals/Deletions	-	-	-
Amortisation for the period	1.83	27.26	29.09
At March 31, 2023	**34.20**	**78.29**	**112.49**
Net book value:			
At April 1, 2022	**1.86**	**57.22**	**59.08**
At March 31, 2023	**3.51**	**55.39**	**58.90**

Particulars	Computer Software	Internally Generated assets	Total
Gross block			
Cost as at April 1, 2021	33.49	167.74	201.23
Additions	0.74	19.78	20.52
Disposals/Deletions	-	(6.67)	(6.67)
Slump sale (Refer Note 49)	-	(72.60)	(72.60)
At March 31, 2022	**34.23**	**108.25**	**142.48**
Accumulative amortisation and impairment:			
At April 1, 2021	29.72	57.42	87.14
Disposals/Deletions	-	(1.58)	(1.58)
Slump sale (Refer Note 49)	-	(30.70)	(30.70)
Amortisation for the year	2.65	25.89	28.54
At March 31, 2022	**32.37**	**51.03**	**83.40**
Net book value:			
At April 1, 2021	**3.77**	**110.32**	**114.09**
At March 31, 2022	**1.86**	**57.22**	**59.08**

Note 14: Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Service tax credit/GST (input) receivable	70.70	33.14
Prepaid expenses	10.17	47.00
Others	21.46	17.85
Total	**102.33**	**97.99**

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Note 15: Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
(i) total outstanding dues of Micro and Small Enterprises	3.69	1.87
(ii) total outstanding dues of creditors other than Micro and Small Enterprises*	306.41	94.60
(iii) total disputed outstanding dues of Micro and Small Enterprises	-	-
(iv) total disputed outstanding dues of creditors other than Micro and Small Enterprises	-	-
Total	**310.10**	**96.47**

*Includes Rs 78.11 million (PY: Rs 30.73 million) payable to subsidiary

Trade Payables ageing schedule
As on March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.69	-	-	-	**3.69**
(ii) Others	305.18	-	0.00	1.23	**306.41**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.87	-	-	-	**1.87**
(ii) Others	94.22	-	-	0.38	**94.60**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

MSME disclosure:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
Principal	3.69	1.87
Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) 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 the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 16: Debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised cost:		
Redeemable Non-convertible Debentures		
Secured	2,434.20	1,375.40
Unsecured	721.44	1,089.13
Commercial Papers (unsecured)	479.41	-
Total	**3,635.05**	**2,464.53**
Debt securities in India	3,635.05	2,464.53
Debt securities outside India	-	-
	3,635.05	**2,464.53**

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Particulars of Secured and Unsecured Redeemable Non Convertible Debentures

Particulars	Date of Redemption	As at March 31, 2023	As at March 31, 2022
Secured Redeemable Non Convertible Debentures			
Non Convertible Debentures (123 nos. of Rs 5,00,000 each)	21-Jul-22	-	20.50
Non Convertible Debentures (129 nos. of Rs 5,00,000 each)	10-Aug-22	-	21.50
Non Convertible Debentures (188 nos. of Rs 5,00,000 each)	19-Sep-22	-	31.33
Non Convertible Debentures (106 nos. of Rs 5,00,000 each)	22-Oct-22	-	26.50
Non Convertible Debentures (71 nos. of Rs 5,00,000 each)	12-Nov-22	-	17.75
Non Convertible Debentures (155 nos. of Rs 5,00,000 each)	22-Dec-22	-	38.75
Non Convertible Debentures (161 nos. of Rs 5,00,000 each)	23-Jan-23	-	53.67
Non Convertible Debentures (134 nos. of Rs 5,00,000 each)	18-Feb-23	-	44.67
Non Convertible Debentures (18 nos. of Rs 5,00,000 each)	19-Feb-23	-	6.00
Non Convertible Debentures (195 nos. of Rs 5,00,000 each)	23-Mar-23	-	65.00
Non Convertible Debentures (10 nos. of Rs 5,00,000 each)	24-Mar-23	-	3.33
Non Convertible Debentures (147 nos. of Rs 5,00,000 each)	25-Apr-23	12.25	61.25
Non Convertible Debentures (169 nos. of Rs 5,00,000 each)	29-May-23	14.08	70.42
Non Convertible Debentures (133 nos. of Rs 5,00,000 each)	28-Jun-23	11.08	55.42
Non Convertible Debentures (137 nos. of Rs 5,00,000 each)	27-Jul-23	22.83	68.50
Non Convertible Debentures (8 nos. of Rs 1,00,00,000 each)	16-Aug-23	40.00	-
Non Convertible Debentures (125 nos. of Rs 5,00,000 each)	25-Aug-23	20.83	62.50
Non Convertible Debentures (92 nos. of Rs 5,00,000 each)	10-Sep-23	46.00	-
Non Convertible Debentures (106 nos. of Rs 5,00,000 each)	30-Sep-23	17.67	53.00
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	10-Oct-23	37.50	-
Non Convertible Debentures (120 nos. of Rs 5,00,000 each)	28-Oct-23	30.00	-
Non Convertible Debentures (89 nos. of Rs 5,00,000 each)	29-Oct-23	22.25	-
Non Convertible Debentures (128 nos. of Rs 5,00,000 each)	30-Nov-23	32.00	-
Non Convertible Debentures (43 nos. of Rs 50,00,000 each)	23-Dec-23	107.50	215.00
Non Convertible Debentures (115 nos. of Rs 5,00,000 each)	29-Dec-23	28.75	-
Non Convertible Debentures (630 nos. of Rs 5,00,000 each)	30-Dec-23	187.50	-
Non Convertible Debentures (48 nos. of Rs 5,00,000 each)	28-Jan-24	16.00	-
Non Convertible Debentures (99 nos. of Rs 5,00,000 each)	29-Jan-24	33.00	-
Non Convertible Debentures (111 nos. of Rs 5,00,000 each)	02-Mar-24	37.00	-
Non Convertible Debentures (200 nos. of Rs 5,00,000 each)	06-Mar-24	100.00	-
Non Convertible Debentures (22 nos. of Rs 5,00,000 each)	07-Mar-24	7.33	-
Non Convertible Debentures (100 nos. of Rs 5,00,000 each)	16-Mar-24	50.00	-
Non Convertible Debentures (480 nos. of Rs 10,00,000 each)	18-Mar-24	480.00	480.00
Non Convertible Debentures (200 nos. of Rs 5,00,000 each)	20-Mar-24	100.00	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	23-Mar-24	20.00	-
Non Convertible Debentures (144 nos. of Rs 5,00,000 each)	03-Apr-24	60.00	-
Non Convertible Debentures (123 nos. of Rs 5,00,000 each)	04-May-24	51.25	-
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	07-May-24	33.33	-
Non Convertible Debentures (151 nos. of Rs 5,00,000 each)	07-Jun-24	62.92	-
Non Convertible Debentures (45 nos. of Rs 5,00,000 each)	12-Jun-24	18.75	-
Non Convertible Debentures (140 nos. of Rs 5,00,000 each)	04-Jul-24	70.00	-
Non Convertible Debentures (113 nos. of Rs 5,00,000 each)	09-Sep-24	56.50	-
Non Convertible Debentures (50 nos. of Rs 5,00,000 each)	14-Sep-24	25.00	-
Non Convertible Debentures (6 nos. of Rs 1,00,00,000 each)	14-Sep-24	45.00	-
Non Convertible Debentures (10 nos. of Rs 5,00,000 each)	17-Sep-24	5.00	-
Non Convertible Debentures (24 nos. of Rs 1,00,00,000 each)	14-Oct-24	210.00	-
Non Convertible Debentures (11 nos. of Rs 1,00,00,000 each)	06-Jan-25	110.00	-
Non Convertible Debentures (400 nos. of Rs 5,00,000 each)	30-Mar-25	200.00	-
		2,421.32	**1,395.08**

Unsecured Redeemable Non Convertible Debentures

Particulars	Date of Redemption	As at March 31, 2023	As at March 31, 2022
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	12-Apr-22	-	10.00
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	20-Apr-22	-	30.00
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	22-Apr-22	-	10.00
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	21-May-22	-	12.50
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	10-Jun-22	-	10.00
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	21-Jun-22	-	30.00
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	07-Jul-22	-	30.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	15-Jul-22	-	5.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	22-Jul-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	26-Jul-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	12-Aug-22	-	10.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	17-Aug-22	-	20.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	19-Aug-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	25-Aug-22	-	10.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	27-Aug-22	-	20.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	13-Sep-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	27-Sep-22	-	10.00

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CapFloat Financial Services Private Limited

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Particulars	Date of Redemption	As at March 31, 2023	As at March 31, 2022
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	01-Oct-22	-	20.00
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	05-Oct-22	-	30.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	14-Oct-22	-	15.00
Non Convertible Debentures (4 nos. of Rs 100,00,000 each)	19-Oct-22	-	40.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	21-Oct-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	28-Oct-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	09-Nov-22	-	7.50
Non Convertible Debentures (1 nos. of Rs 100,00,000 each)	10-Nov-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	11-Nov-22	-	10.00
Non Convertible Debentures (2 nos. of Rs 100,00,000 each)	17-Nov-22	-	7.50
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	23-Nov-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	25-Nov-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	26-Nov-22	-	10.00
Non Convertible Debentures (2 nos. of Rs 100,00,000 each)	30-Nov-22	-	13.75
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	08-Dec-22	-	27.50
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	10-Dec-22	-	30.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	27-Dec-22	-	7.50
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	29-Dec-22	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	07-Jan-23	-	10.00
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	17-Jan-23	-	30.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	19-Jan-23	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	20-Jan-23	-	10.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	21-Jan-23	-	20.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	24-Jan-23	-	20.00
Non Convertible Debentures (4 nos. of Rs 100,00,000 each)	25-Jan-23	-	40.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	31-Jan-23	-	10.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	02-Feb-23	-	20.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	03-Feb-23	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	07-Feb-23	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	02-Mar-23	-	10.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	15-Mar-23	-	10.00
Non Convertible Debentures (8 nos. of Rs 1,00,00,000 each)	22-Mar-23	-	80.00
Non Convertible Debentures (7 nos. of Rs 1,00,00,000 each)	31-Mar-23	-	70.00
Non Convertible Debentures (11 nos. of Rs 1,00,00,000 each)	26-Apr-23	87.50	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	04-May-23	20.00	-
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	16-May-23	7.50	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	31-May-23	10.00	-
Non Convertible Debentures (14 nos. of Rs 1,00,00,000 each)	14-Jun-23	50.00	20.00
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	15-Jun-23	20.00	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	16-Jun-23	5.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	23-Jun-23	2.50	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	24-Jun-23	20.00	20.00
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	01-Jul-23	7.50	-
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	04-Jul-23	40.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	14-Jul-23	10.00	-
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	20-Jul-23	20.00	-
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	26-Jul-23	10.00	30.00
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	01-Aug-23	25.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	03-Aug-23	10.00	10.00
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	04-Aug-23	25.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	08-Aug-23	10.00	-
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	10-Aug-23	25.00	-
Non Convertible Debentures (6 nos. of Rs 1,00,00,000 each)	12-Aug-23	15.00	45.00
Non Convertible Debentures (6 nos. of Rs 1,00,00,000 each)	20-Aug-23	30.00	-
Non Convertible Debentures (4 nos. of Rs 1,00,00,000 each)	16-Sep-23	26.67	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	28-Sep-23	10.00	-
Non Convertible Debentures (5 nos. of Rs 1,00,00,000 each)	07-Oct-23	50.00	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	19-Oct-23	15.00	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	22-Oct-23	20.00	20.00
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	22-Nov-23	10.00	-

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Particulars	Date of Redemption	As at March 31, 2023	As at March 31, 2022
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	19-Dec-23	7.50	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	30-Dec-23	10.00	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	27-Jan-24	20.00	20.00
Non Convertible Debentures (3 nos. of Rs 1,00,00,000 each)	10-Nov-24	30.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	14-Nov-24	10.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	24-Nov-24	10.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	28-Nov-24	10.00	-
Non Convertible Debentures (1 nos. of Rs 1,00,00,000 each)	02-Dec-24	10.00	-
Non Convertible Debentures (2 nos. of Rs 1,00,00,000 each)	09-Dec-24	20.00	-
Commercial Papers			
Northern Arc Money Market Alpha Fund (1 nos. of Rs. 25,00,00,000 each)	17-Jul-23	234.94	-
Northern Arc Money Market Alpha Fund (1 nos. of Rs. 25,00,00,000 each)	18-Aug-23	235.02	-
		1,179.13	1,051.25
Grand Total		3,600.45	2,446.34
Ind AS adjustments		34.60	18.19
Total post Ind AS adjustments		3,635.05	2,464.53

As at Balance Sheet date, Interest rates per annum range (for Non Convertible Debentures) between 11.50% to 13.50%

Repayment details of debt securities

Balance Tenure (months)	Rate of Interest	Repayment Details	Total
0-12 months	11.50%-13.50%	Quarterly	993.58
0-12 months	12.50%	Every 4 months	26.67
0-12 months	12.50%-13.50%	Half yearly	182.50
0-12 months	12.50%-13.50%	Bullet	1,359.95
12-36 months	12.25%-13.50%	Quarterly	947.75
12-36 months	13.00%	Half yearly	20.00
12-36 months	13.00%	Bullet	70.00
			3,600.45

Security details for Secured Debt Securities

Debt Securities of Rs. 2434.20 millions for March 31, 2023 (Rs.1,375.40 millions for March 31, 2022) is secured by way of hypothecation of underlying assets financed by the Company.

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Note 17: Borrowings other than debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised cost:		
Secured		
Term loans		
- from bank	1,366.55	537.24
- from others	949.48	352.37
Securitisation Liabilities	372.72	145.02
Cash credit / Overdraft facilities from banks	807.79	939.92
Total	**3,496.54**	**1,974.55**
Borrowings in India	3,496.54	1,974.55
Borrowings outside India	-	-
Total	**3,496.54**	**1,974.55**

Security details for Secured Borrowings

Term loans of Rs.2,316.03 millions for March 31, 2023(Rs.889.61 millions for March 31, 2022), is secured by way of hypothecation of underlying assets financed by the Company.
Securitisation liabilities and Over draft facilities from banks of Rs.1,180.51 millions for March 31, 2023(Rs.1,084.94 millions for March 31, 2022) is secured by cash collaterals of the Company.

Terms of repayment:

Term loans from Banks and others (NBFC) -Secured

Lender Name	Tenure (months)	Sanction Amount	As at March 31, 2023	As at March 31, 2022
Kotak Mahindra Bank Limited	5.29	90.00	-	15.00
Kotak Mahindra Bank Limited	5.29	200.00	-	-
Kotak Mahindra Bank Limited	6	1,299.43	664.93	-
Kotak Mahindra Bank Limited	12	250.00	104.17	-
Indus Ind Bank Limited	12	500.00	-	500.00
Indus Ind Bank Limited	12	499.90	499.90	-
AU Small Finance Bank	7	250.00	-	41.67
AU Small Finance Bank	6	400.00	25.00	-
IFMR Capital Finance Private Limited	12	200.00	-	35.44
IFMR Capital Finance Private Limited	18	750.00	392.08	-
Ratnakar Bank Limited	3	250.00	83.33	-
Ratnakar Bank Limited	6	250.00	-	-
Vivriti Capital Private Limited	12	100.00	-	16.67
Vivriti Capital Private Limited	18	300.00	150.00	-
MAS Financial Services Ltd	6	300.00	-	300.00
MAS Financial Services Ltd	6	650.00	308.33	-
MAS Financial Services Ltd	9	150.00	100.00	-
Bank Overdraft				
AU SFB Bank OD		1,500.00	807.79	503.01
Axis Bank OD		200.00	-	-
Kotak Mahindra Bank Limited OD		350.00	-	436.90
RBL Bank OD		5.00	-	-
Kotak Mahindra Bank Limited TL/OD		200.00	-	-
Securitisation Liabilities	*Refer note below*		372.72	145.02
Grand Total (principal outstanding)		8,694.33	3,508.25	1,993.71
Ind AS adjustments			(11.71)	(19.15)
Total Borrowings other than debt securities			3,496.54	1,974.55

Note
The company has entered into various securitisation transaction during the current year having a contractual tenure upto 12-36 months and the sanction amount for each transaction depends upon the amount of pool transferred.

As at Balance Sheet date, Interest rates per annum range between 5.65% to 12.85%

Repayment details of borrowings

Balance Tenure (months)	Rate of Interest	Repayment Details	Total Amount
0-12 months	5.65% to 12.85%	Monthly	1,827.84
0-12 months	5.65% to 12.00%	Monthly	807.79
0-18 months	9.00% to 11.50%	Monthly	372.72
0-12 months	8.25%	Bullet	499.90
			3,508.25

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Note 18: Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability	89.76	112.20
Other liabilities (includes payable to business partners)	317.21	526.70
Total	**406.97**	**638.90**

Note 19: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable		
- Retention and Performance bonus	20.74	15.82
- Gratuity	35.13	32.09
- Provision for compensated absences	32.90	31.93
Provision for non-fund based exposure	203.92	73.62
Total	**292.69**	**153.46**

The table below shows the credit quality and the maximum exposure for credit risk based on the company's internal credit grading system and year-end stage classification in relation to undrawn commitments and financial guarantee is as follows:

Analysis of risk categorisation

As at March 31, 2023

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	3,771.12	-	-	3,771.12
Standard grade	-	-	-	-
Sub-standard grade	-	122.51	-	122.51
Past due before impairment	-	30.11	-	30.11
Non- performing				-
Individually impaired (including restructured assets)	-	-	110.26	110.26
Total	**3,771.12**	**152.62**	**110.26**	**4,034.01**

As at March 31, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	2,301.93	-	-	2,301.93
Standard grade	-	-	-	-
Sub-standard grade	-	102.28	-	102.28
Past due before impairment	-	21.35	-	21.35
Non- performing				
Individually impaired (including restructured assets)	-	-	50.44	50.44
Total	**2,301.93**	**123.63**	**50.44**	**2,476.00**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to undrawn commitments and financial guarantee is as follows:
Reconciliation of gross carrying amount

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2022	**2,301.93**	**123.63**	**50.44**	**2,476.00**
New assets originated or purchased	3,741.23	126.83	104.60	3,972.66
Assets derecognised or repaid (excluding write offs)	(2,207.45)	(47.12)	(4.99)	(2,259.56)
Transfers to Stage 1	0.88	(0.00)	(0.88)	-
Transfers to Stage 2	(5.09)	5.84	(0.75)	-
Transfers to Stage 3	(2.47)	(0.99)	3.47	-
Amounts written off	(57.91)	(55.56)	(41.62)	(155.09)
Gross carrying amount as at March 31, 2023	**3,771.12**	**152.62**	**110.26**	**4,034.01**

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As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**286.66**	**20.52**	**7.10**	**314.28**
Addtions to opening balance due to metholodgy change	1,424.83	246.69	70.14	1,741.66
New assets originated or purchased	2,089.94	59.67	30.54	2,180.15
Assets derecognised or repaid (excluding write offs)	(1,410.94)	(99.91)	(4.12)	(1,514.97)
Transfers to Stage 1	3.37	(3.37)	-	-
Transfers to Stage 2	(24.61)	24.61	-	-
Transfers to Stage 3	(6.34)	(13.15)	19.49	-
Amounts written off	(60.98)	(111.43)	(72.71)	(245.12)
Gross carrying amount as at March 31, 2022	**2,301.93**	**123.63**	**50.44**	**2,476.00**

Impairment allowance for loans to customers

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2022	**25.97**	**26.75**	**20.91**	**73.63**
Assets derecognised or repaid	(25.54)	(25.09)	(19.13)	(69.76)
New assets originated	48.09	45.89	292.73	386.72
Impact on year end ECL of Exposures transferred between stages during the year	(0.50)	1.12	1.29	1.91
Transfers to Stage 1	0.57	(0.00)	(0.57)	-
Transfers to Stage 2	(0.08)	0.08	-	-
Transfers to Stage 3	(0.03)	(0.04)	0.07	-
Changes to models and inputs used for ECL calculations	(0.12)	0.31	0.37	0.56
Amounts written off	-	-	(189.14)	(189.14)
Impairment allowance for loans to customers as at March 31, 2023	**48.36**	**49.02**	**106.53**	**203.92**

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**7.25**	**9.33**	**5.15**	**21.74**
Addtions to opening balance due to metholodgy change	25.53	47.85	28.75	102.12
Assets derecognised or repaid	(25.91)	(21.95)	(1.90)	(49.76)
New assets originated	22.85	18.95	16.32	58.11
Impact on year end ECL of Exposures transferred between stages during the year	(0.82)	6.49	0.84	6.52
Transfers to Stage 1	1.02	(1.02)	-	-
Transfers to Stage 2	(0.82)	0.82	-	-
Transfers to Stage 3	(0.13)	(3.62)	3.75	-
Changes to models and inputs used for ECL calculations	(1.34)	(3.47)	(0.02)	(4.84)
Amounts written off	(1.66)	(26.63)	(31.98)	(60.27)
Impairment allowance for loans to customers as at March 31, 2022	**25.97**	**26.75**	**20.91**	**73.62**

Note 20: Other Non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	58.08	39.86
Income received in advance	78.88	47.10
Advance from customers	11.42	31.29
Total	**148.38**	**118.25**

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Note 21: Share Capital and Instruments entirely equity in nature

I. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
22,93,861 (Previous year 22,93,861) Equity Shares of Rs. 10 /-each	22.94	22.94
	22.94	**22.94**
Issued and fully paid up:		
22,75,434 (Previous year 22,75,434) Equity Shares of Rs. 10 /-each	22.75	22.75
Less: 6,96,840 (Previous year 6,96,840) equity shares of Rs 10/- each held in the Trust for employees under ESOP Scheme	(6.97)	(6.97)
	15.78	**15.78**

Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	15,78,594	-	-	-	15,78,594
- Amount (in Rs. Million)	15.78	-	-	-	15.78

Details of shareholders holding more than 5% shares in the Company
Equity Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number in million	% holding in the class	Number in million	% holding in the class
Gaurav Dinesh Hinduja	6,90,007	30.32%	6,90,007	30.32%
Sashank R Rishyasringa	6,90,007	30.32%	6,90,007	30.32%
Capital Float Employee Welfare Trust	6,96,840	30.62%	6,96,840	30.62%

Shares held by promoters as at March 31, 2023

Particulars	Number of share	% holding in the class	% changed during the year
Gaurav Dinesh Hinduja	6,90,007	30.32%	0.00%
Sashank R Rishyasringa	6,90,007	30.32%	0.00%

Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

II. Instrument entirely Equity in nature

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
3,15,695 (Previous year 3,15,695) Series A Compulsorily Convertible Preference Shares of Rs. 10/- each having coupon rate of 0.01%	3.16	3.16
40,000 (Previous year 40,000) Series A1 Compulsorily Convertible Preference Shares of Rs. 13/- each having coupon rate of 0.01%	0.52	0.52
3,30,000 (Previous year 3,30,000) Series B Compulsorily Convertible Preference Shares of Rs. 10/- each having coupon rate of 0.01%	3.30	3.30
11,30,000 (Previous year 11,30,000) Series C Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	113.00	113.00
8,80,000 (Previous year 8,80,000) Series D Compulsorily Convertible Preference Shares of Rs 100/- each having coupon rate of 0.01%	88.00	88.00
17,00,000 (Previous year 17,00,000) Series E Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	170.00	170.00
2,64,000 (Previous year 2,64,000) Series E 1 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	26.40	26.40
2,74,728 (Previous year 2,74,728) Series E 2 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	27.47	27.47
1,09,000 (Previous year 1,09,000) Series F 1 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	10.90	10.90
26,60,000 (Previous year 26,60,000) Series F 2 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	266.00	266.00
17,80,000 (Previous year 17,80,000) Series F 3 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	178.00	178.00
	886.75	**886.75**

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Issued and fully paid up:

57,396 (Previous year 57,396) Series A Compulsorily Convertible Preference Shares of Rs. 10/- each having coupon rate of 0.01%	0.57	0.57
38,096 (Previous year 38,096) Series A1 Compulsorily Convertible Preference Shares of Rs. 13/- each having coupon rate of 0.01%	0.50	0.50
3,24,812 (Previous year 3,24,812) Series B Compulsorily Convertible Preference Shares of Rs. 10/- each having coupon rate of 0.01%	3.25	3.25
11,23,518 (Previous year 11,23,518) Series C Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	112.35	112.35
8,73,162 (Previous year 8,73,162) Series D Compulsorily Convertible Preference Shares of Rs 100/- each having coupon rate of 0.01%	87.32	87.32
16,91,491 (Previous year 16,91,491) Series E Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	169.15	169.15
2,63,208 (Previous year 2,63,208) Series E 1 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	26.32	26.32
2,74,445 (Previous year 2,74,445) Series E 2 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	27.44	27.44
1,07,835 (Previous year 1,07,835) Series F 1 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	10.78	10.78
3,33,492 (Previous year 3,33,492) Series F 2 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	33.35	33.35
17,75,306 (Previous year 17,75,306) Series F 3 Compulsorily Convertible Preference Shares of Rs. 100/- each having coupon rate of 0.01%	177.53	177.53
	648.56	**648.56**

Reconciliation of Instruments entirely equity in nature and amount outstanding at the beginning and at the end of the year

Series A Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	57,396	-	-	-	57,396
- Amount (in Rs. Million)	0.57	-	-	-	0.57

Series A1 Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	38,096	-	-	-	38,096
- Amount (in Rs. Million)	0.50	-	-	-	0.50

Series B Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	3,24,812	-	-	-	3,24,812
- Amount (in Rs. Million)	3.25	-	-	-	3.25

Series C Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	11,23,518	-	-	-	11,23,518
- Amount (in Rs. Million)	112.35	-	-	-	112.35

Series D Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	8,73,162	-	-	-	8,73,162
- Amount (in Rs. Million)	87.32	-	-	-	87.32

Series E Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	16,91,491	-	-	-	16,91,491
- Amount (in Rs. Million)	169.15	-	-	-	169.15

Series E1 Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	2,63,208	-	-	-	2,63,208
- Amount (in Rs. Million)	26.32	-	-	-	26.32

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Series E2 Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	2,74,445	-	-	-	2,74,445
- Amount (in Rs. Million)	27.44	-	-	-	27.44

Series F1 Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	1,07,835	-	-	-	1,07,835
- Amount (in Rs. Million)	10.78	-	-	-	10.78

Series F2 Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	3,33,492	-	-	-	3,33,492
- Amount (in Rs. Million)	33.35	-	-	-	33.35

Series F3 Compulsorily Convertible Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2023:					
- Number of shares	17,75,306	-	-	-	17,75,306
- Amount (in Rs. Million)	177.53	-	-	-	177.53

Details of shareholders holding more than 5% shares in the Company

Series A CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Dinesh J Hinduja	13,942	24.29%	13,942	24.29%
Amazon.com NV Investment Holdings LLC	43,454	75.71%	43,454	75.71%

Series A1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Dinesh J Hinduja	38,096	100.00%	38,096	100.00%

Series B CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Soros Economic Development Fund	2,16,606	66.69%	2,16,606	66.69%
SAIF Partners India IV Limited	1,08,206	33.31%	1,08,206	33.31%

Series C CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Soros Economic Development Fund	1,72,662	15.37%	1,72,662	15.37%
SAIF Partners India IV Limited	4,97,064	44.24%	4,97,064	44.24%
Sequoia Capital India Investments IV	4,10,890	36.57%	4,10,890	36.57%

Series D CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Soros Economic Development Fund	92,454	10.59%	92,454	10.59%
SAIF Partners India IV Limited	1,64,364	18.82%	1,64,364	18.82%
Sequoia Capital India Investments IV	51,364	5.88%	51,364	5.88%
Creation Investments CF LLC	5,13,616	58.82%	5,13,616	58.83%
Dinesh J Hinduja	29,164	3.34%	51,364	5.88%

Series E CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
SAIF Partners India IV Limited	2,96,748	17.54%	2,96,748	17.54%
Sequoia Capital India Investments IV	1,84,643	10.92%	1,84,643	10.92%
Creation Investments CF LLC	1,58,266	9.36%	1,58,266	9.36%
Ribbit Capital Mauritius IV	5,47,316	32.36%	5,47,316	32.36%
Amazon.com NV Investment Holdings LLC	5,04,518	29.83%	5,04,518	29.83%

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Series E1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
SAIF Partners India V Limited	1,17,513	44.65%	1,17,513	44.65%
Sequoia Capital India Investments IV	1,45,695	55.35%	1,45,695	55.35%

Series E2 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Dinesh J Hinduja	18,546	6.76%	18,546	6.76%
SAIF Partners India IV Limited	53,446	19.47%	53,446	19.47%
Sequoia Capital India Investments IV	39,194	14.28%	39,194	14.28%
Ribbit Capital Mauritius IV	89,077	32.46%	89,077	32.46%
Amazon.com NV Investment Holdings LLC	74,182	27.03%	74,182	27.03%

Series F1 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Ribbit Capital Mauritius IV limited	1,07,835	100.00%	1,07,835	100.00%

Series F2 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Dinesh J Hinduja	86,546	25.95%	86,546	25.95%
Sequoia Capital India Investment IV	1,15,395	34.60%	1,15,395	34.60%
Creations Investment CF LLC	82,508	24.74%	82,508	24.74%
QED Innovations labs LLP	23,079	6.92%	23,079	6.92%
B Amrish Rau	17,309	5.19%	17,309	5.19%

Series F3 CCPS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
LR India Holdings Ltd	17,75,306	100.00%	17,75,306	100.00%

Terms / Rights attached to Instruments entirely equity in nature

Preference Shares
1. Seniority:
Series A, A1, B, C, D, E, E1, E2, F1, F2 and F3 Compulsorily Convertible Preference shares ('CCPS') shall be participating, compulsorily convertible and non-cumulative preference shares and shall rank equal to and senior to all other Securities of the Company.

2. Voting Rights:
The holders of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares).

3. Terms of Conversion:
Series A CCPS: convertible into 1 (one) equity share
Series A1 CCPS: convertible into 1.2107 (one point two one zero seven) equity shares
Series B CCPS: convertible into 0.65 (point six five) equity share
Series C CCPS: convertible into 0.85 (point eight five) equity share
Series D CCPS: convertible into 0.9 (point nine) equity share
Series E CCPS: convertible into 1.11 (one point one one) equity share
Series E1 CCPS: convertible into 1 (one) equity share
Series E2 CCPS: convertible into 1 (one) equity share
Series F1 CCPS: convertible into 1 (one) equity share
Series F2 CCPS: convertible into 1 (one) equity share
Series F3 CCPS: convertible into 1 (one) equity share

The respective CCPS will be converted upon the following events whichever is earlier:
a) on expiry of a period of 10 (Ten) years from the respective dates of issuance of each CCPS series;
b) prior to the Qualified IPO;
c) at the option of the holder of the respective CCPS;
d) on the occurrence of a Liquidation Event.
In addition to above, for Series A and A1 CCPS, conversion may also be attracted immediately prior to transfer of such CCPS to any of the Promoters or Relatives of the Promoters, as per respective shareholders' agreement.

However, the holder of CCPS may seek conversion of all or any part of the CCPS held by it at any time at its discretion.

(All amounts in Rs. millions, unless otherwise stated)

4. Nature:

The equity shares issued and allotted upon conversion of any or all of the CCPS Series shall rank pari-passu with all the other equity shares of the Company.

5. In the event of winding up or liquidation:

In the event of winding up or liquidation of the Company or the occurrence of a Liquidation Event, prior to payments to any class of shareholders including holders of any other preference shares (but pari-passu with the holders of the Series A CCPS, Series A1 CCPS, Series B CCPS, Series C CCPS, Series D CCPS , Series E CCPS, Series E1 CCPS, Series F1 CCPS, Series F2 CCPS and Series F3 CCPS shall be entitled to be repaid an amount that is the sum total of (i) the subscription consideration including premium paid towards subscription of such Series and (ii) all dividend that has accrued in relation to respective CCPS but remains unpaid. Thereafter, all the Shareholders (including the Investors) shall be entitled to their pro rata share in the surplus amounts or profits on the basis of their Shareholding Percentage on a Fully Diluted Basis.

Shares allotted by way of bonus shares	**As at March 31, 2023**	**As at March 31, 2022**
Shares allotted by way of bonus shares	-	-

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Securities (Compulsorily Convertible Preference Shares) convertible into equity shares	68,62,761	68,62,761
Shares reserved for issue under Employee Stock Option Scheme-Issued, held with Trust	6,96,840	6,96,840
Shares reserved for issue under Employee Stock Option Scheme -Unissued, held with Company	-	-

No bonus shares have been issued during the year (previous year NIL)

Details of shares issued as bonues, shares bough back and share issued for consideration other than cash for a period of five year immediately preceeding balancheet date: NIL

a) Shares held under ESOP trust

The Company has created an Employee Stock Option Scheme (ESOS) for share based payment to its employees.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India. For the purpose of the scheme, the Company issues shares to its ESOP trust. The Company considers ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

The ESOP Trust held 6,96,840 shares as on March 31, 2023 and during the year the company has issued NIL equity shares to ESOP trust and till date ESOP trust has transferred 1,15,692 shares to employees of the Company (including employees of subsidiary).

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Note 22: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	0.08	0.08
Securities Premium	11,806.89	11,806.89
Share Option Outstanding Account	1,309.75	1,181.67
Surplus in the Statement of Profit and Loss	(7,042.80)	(6,039.39)
Other Comprehensive Income	12.96	11.13
Total	**6,086.88**	**6,960.38**

a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	0.08	0.08
Add: Transfer from Surplus in the Statement of Profit and Loss		
Closing Balance	0.08	0.08

b) Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	11,806.89	8,561.71
Add: Received during the period	-	3,324.34
Less : Securities issue expenses	-	(79.16)
Closing Balance	11,806.89	11,806.89

c) Share Option Outstanding Account

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,181.67	1,130.04
Add: Transferred from Statement of Profit and Loss	68.97	47.28
Add : Capitalized during the period	18.76	1.55
Add : On issuance of stock options to employees of subsidiary	40.35	2.80
Closing Balance	1,309.75	1,181.67

d) Surplus in the Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	(6,039.39)	(5,862.79)
Less : Loss for the period	(1,003.41)	(176.60)
Closing Balance	(7,042.80)	(6,039.39)

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(All amounts in Rs. millions, unless otherwise stated)

e) Other Comprehensive Income

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	11.13	14.14
Add: Remeasurement gain/(loss) on defined benefit plan	1.83	(3.01)
Closing Balance	12.96	11.13

Nature and purpose of Reserves

a) Statutory reserve

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend.

b) Securities Premium Reserve

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 the Companies Act, 2013.

c) Share Option Outstanding Account

This Reserve relates to stock options granted by the Company to employees(Including of Subsidiary Company) under ESOP Schemes 2014. This Reserve is transferred to Securities Premium Account on exercise of vested options.

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Note 23: Interest income

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
On financial assets measured at amortised cost		
Interest on loans	1,128.90	798.69
Interest on deposits with Banks	140.13	73.26
Total	**1,269.03**	**871.95**

Note 24: Fee income

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from contracts with customers		
Fee income on Loans	368.77	126.16
Total	**368.77**	**126.16**
Geographical markets		
India	368.77	126.16
Outside India	-	-
Total revenue from contracts with customers	**368.77**	**126.16**
Timing of revenue recognition		
Services transferred at a point in time	368.77	126.16
Services transferred over time	-	-
Total revenue from contracts with customers	**368.77**	**126.16**

Note 25: Net gain on fair value changes

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Net gain on instruments at fair value through profit or loss		
Mutual funds at FVTPL	37.35	42.02
Market Linked Debentures at FVTPL	34.48	1.62
Alternative Investment Funds at FVTPL	16.00	-
Total Net gain/(loss) on fair value changes	**87.83**	**43.64**
Fair Value changes:		
-Realised	87.83	43.64
-Unrealised	-	-
Total Net gain/(loss) on fair value changes	**87.83**	**43.64**

Note 26: Other income

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Other non operating income [includes interest on income tax refund of Rs 10.23 million (PY: Rs 5.84 million)]	158.64	79.81
Total	**158.64**	**79.81**

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(All amounts in Rs. millions, unless otherwise stated)

Note 27: Finance Cost

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
On financial liabilities measured at amortised cost		
Interest on lease liability	13.02	12.18
Interest on borrowings (Term loans and Overdraft)	312.05	195.44
Interest on Commercial Papers	51.25	-
Interest on Debentures	386.74	284.88
Interest on securitised liabilities	30.48	22.74
Loss on modification	3.30	-
Other Finance Cost	35.45	25.05
Total	**832.29**	**540.29**

Note 28: Impairment on financial instruments

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
On Financial instruments measured at amortised cost		
(i) Loans*	592.75	16.17
(ii) Non fund exposure#	319.43	206.33
(iii) Trade receivable^	0.86	3.57
(iV) Others receivable	0.07	(3.21)
Total	**913.11**	**222.86**

* Consists loss on account of loans written off Rs. 579.52 million (March 31, 2022: Rs. 346.68 million) and ECL provision Rs. 13.23 million (March 31, 2022 : Reversal of Rs. 330.51 million) during the year.

includes payments in respect of guarantees invoked which were issued by the Company for the co-lending arrangement

^Consists the loss on account of trade receivables written off Rs. NIL (March 31, 2022: 0.50 million)

Note 29: Employee benefit expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and wages	414.36	566.95
Contribution to provident and other funds	7.78	9.17
Share based payment to employees	68.97	47.28
Staff welfare expenses	14.68	8.12
Gratuity expenses	7.76	8.77
Total	**513.55**	**640.29**

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(All amounts in Rs. millions, unless otherwise stated)

Note 30: Depreciation and amortisation

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on Property, plant and equipment	22.49	21.90
Depreciation on Intangible assets	29.09	28.54
Depreciation of Right of use assets	38.96	32.87
Total	**90.54**	**83.31**

Note 31: Other expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent	1.85	0.69
Repairs and others	1.12	1.08
Insurance	9.61	8.50
Rates & Taxes	0.69	0.40
Auditors Remuneration		
- as auditor	1.30	1.30
- tax audit fees	0.20	0.20
Marketing expenses	11.42	4.36
Business support expenses	71.06	61.36
Commission and brokerage	29.92	6.48
Travelling expenses	21.04	8.16
Office maintenance	9.46	7.27
Communication expenses	11.86	5.87
Printing and stationery	0.43	0.47
Recruitment expenses	3.91	6.74
Membership and subscription	0.17	0.07
Customer onboarding charges	199.54	96.35
Collection cost	53.55	82.48
Electricity charges	5.99	3.74
Legal and professional charges	18.73	25.27
Software license fees	1.54	0.74
Other technology expenses	33.69	24.71
Directors sitting fees	3.90	2.10
Service tax/ GST expenses	117.41	62.60
Loss on sale/write off of Property, Plant and Equipment	2.18	22.50
Bank Charges	0.95	0.92
CGTMSE Guarantee fees	34.07	26.24
Miscellaneous expenses	1.11	0.76
Total	**646.70**	**461.36**

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Note 32: Income Tax

As per Ind AS 12, a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. After due evaluation of the above requirement, the management has decided to not create any deferred tax asset.

As per the income-tax return for AY 2022-23, the Company has Rs. 4773.07 million of accumulated losses and unabsorbed depreciation under Income-tax on which the Company has not created deferred tax assets.

Note 33: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders and compulsory convertible preference share holders of the Company by the weighted average number of equity shares and compulsory convertivle preference shares outstanding during the year.

Since the Company has incurred a loss, the EPS disclosure is restricted upto Basic EPS and no Diluted EPS is calculated.

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares and compulsory convertible preference shares for computation of Basic EPS (in million)	8.27	7.73
Net profit for calculation of basic EPS (In millions)	(1,003.41)	(176.60)
Basic earning per share (In Rs.)	**(121.33)**	**(22.85)**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in million)**	8.27	7.73
Net profit for calculation of Diluted EPS (in million)	(1,003.41)	(176.60)
Diluted earning per share (In Rs.)	**(121.33)**	**(22.85)**
** The Company has 613048 ESOPs (March 31, 2022: 612330) outstanding as on March 31, 2023 which are considered anti-dilutive due to the loss during the year. Hence, the disclosure is restricted to basis EPS. Mandatorily convertible instruments being entirely equity in nature have been considered for basic EPS.		
Reconciliation of profit for calculation of diluted EPS		
Net profit for calculation of basic EPS (Rs. in millions)	(1,003.41)	(176.60)
(Add) Interest on optionally convertible debentures (net of provision)	-	-
Net profit for calculation of Diluted EPS (Rs. in millions)	**(1,003.41)**	**(176.60)**
Reconciliation of Weighted average number of shares outstanding (in millions)		
Weighted average number of equity shares for computation of Basic EPS	2.28	1.98
(Add) Mandatorily Convertible Shares/Debt Securities	6.69	6.16
(Less) Weighted Average of treasury shares held by the ESOP Trust	0.70	0.41
Weighted average number of shares for computation of Basic EPS	8.27	7.73
Nominal / Face Value of equity shares (In Rs.)	10.00	10.00

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Note 34: Retirement benefit plan

i) Defined contribution plan

During the year, the Company has recognised the following amounts in the Statement of profit and loss:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employers' Contribution to Employee's Provident Fund[1]	7.71	9.10
	7.71	**9.10**

[1] Provident fund is a defined contribution plan. The contribution towards provident fund has been deposited with Regional Provident Fund Commissioner and is charged to Statement of Profit and Loss.

ii) Defined benefit plan

The Company has a defined benefit gratuity plan (unfunded). 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 last drawn salary upto the ceiling limit of Rs. 2 million.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Change in bond yields -
A decrease in government bond yields will increase plan liabilities.

b) Inflation risk -
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

c) Life expectancy -
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss, remeasurement gains/losses recognised in OCI and amounts recognised in the balance sheet for the respective plans:

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Table showing change in the present value of projected benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	32.09	32.85
Interest on defined benefit obligation	1.66	1.75
Current Service cost	6.10	7.02
Liability Transferred In/(Out) Slump Sale	-	(2.88)
(Benefit Paid From the Fund)	(2.89)	(9.65)
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	0.84	(3.04)
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	(6.04)	3.62
Actuarial Losses on Obligations - Due to Experience	3.37	2.42
Liability at the end of the year	**35.13**	**32.09**

Table Showing Change in the Fair Value of Plan Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Fair Value of Plan Assets at the Beginning of the Period		
Interest income	-	-
Contributions by the Employer	9.66	2.67
Benefit Paid From the Fund	(9.66)	(2.67)
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	**-**	**-**

Amount recognized in the Balance Sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of unfunded defined benefit obligation	35.13	32.09
Amount not recognized due to asset limit	-	-
Net defined benefit liability / (asset) recognized in balance sheet	**35.13**	**32.09**
Current	7.42	6.64
Non-current	27.71	25.45

Expenses recognized in the Statement of Profit and Loss

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current service cost	6.10	7.02
Interest on net defined benefit liability / (asset)	1.66	1.75
Total expense charged to profit and loss account	**7.76**	**8.77**

Expenses recognized in the Other comprehensive income (OCI)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening amount recognized in OCI outside profit and loss account	(11.13)	(14.14)
Remeasurements during the period due to		
Changes in financial assumptions	(6.04)	3.62
Changes in demographic assumptions	0.84	(3.04)
Experience adjustments	3.37	2.42
Closing amount recognized in OCI outside profit and loss account	**(12.96)**	**(11.13)**

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(All amounts in Rs. millions, unless otherwise stated)

The actuarial assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Discount Rate	7.12%	5.40%
Salary escalation rate	11%	15%
Rate of Employee Turnover	26%	30%

Balance sheet reconciliation

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening net liability	32.09	32.85
Expenses recognized in Statement of Profit and Loss	7.76	8.77
Liability Transferred In/Acquisition	-	(2.88)
Expenses recognized in OCI	(1.83)	3.01
Benefits paid	(2.89)	(9.66)
Net liability recognized in the Balance Sheet	**35.13**	**32.09**

Cash Flow Projection

Expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Expected benefits for year 1	7.43	6.64
Expected benefits for year 2	6.96	6.07
Expected benefits for year 3	6.16	5.42
Expected benefits for year 4	5.09	4.63
Expected benefits for year 5	4.23	3.74
Expected benefits for year 6	3.47	2.97
Expected benefits for year 7	2.80	2.33
Expected benefits for year 8	2.23	1.89
Expected benefits for year 9	1.84	1.39
Expected benefits for year 10 and above	6.64	4.57

Sensitivity analysis

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Projected benefit obligation on current assumptions		
Delta effect of +0.5% change in rate of discounting	34.53	31.54
Delta effect of -0.5% change in rate of discounting	35.76	32.67
Delta effect of +0.5% change in rate of salary increase	35.81	32.69
Delta effect of -0.5% change in rate of salary increase	34.47	31.51

Compensated absences :

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Present value of unfunded obligation*	32.90	31.93
Expenses recognised in the Statement of Profit and Loss	(5.53)	(11.24)
Discount Rate	7.12%	5.40%
Salary escalation rate	11%	15%

*Includes sick leave provision of Rs 2.50 million (PY: Rs 2.85 million)

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Note 35: Employee Stock Option Scheme (ESOS)

The company provides share-based payment schemes to its employees and employees of its subsidiary company. For the year ended March 31, 2023 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

On 1 Feb 2014, the board of directors approved the Equity Settled ESOP Scheme 2014 (Scheme 2014) for issue of stock options. The Company has also granted 3444 stock options to its consultants as on February 2, 2014. Apart from this, 6,96,840 shares are owned by Capital Float Employee Welfare Trust and 115,692 shares are held by employees of the company and its subsidiary pursuant to exercise of grants as at 31st March 2023.

(i) Details of all grants in operation during the year ended March 31, 2023 are as given below:

Grant	Granted to Employees of	Date/Date range of grant	No. of options approved	No. of options granted	Exercise price per option (in Rs.)	Method of settlement	Vesting period	Fair Value per Option on grant date (Rs.)
I	Company*	Feb'14 to Mar'15	63,530	63,530	10.00	Equity	3-4 years	512.50
II	Company	Apr'15 to Sep'15	1,39,106	1,39,106	10.00	Equity	3-4 years	681.00
III	Company	Oct'15 to Mar'16	8,362	8,362	10.00	Equity	4 years	681.00
IV	Company	Apr'16 to Mar'17	65,250	65,250	10.00	Equity	4 years	1,931.50
V	Company	Apr'17 to Mar'18	3,743	3,743	10.00	Equity	4 years	2,123.00
V	Subsidiary	Apr'17 to Mar'18	1,015	1,015	10.00	Equity	4 years	2,123.00
VI	Company	Apr'17 to Mar'18	52,739	52,739	250.00	Equity	4 years	1,883.00
VII	Company	Apr'18 to Aug'18	36,540	36,540	250.00	Equity	4 years	1,965.00
VII	Subsidiary	Apr'18 to Aug'18	325	325	250.00	Equity	4 years	1,965.00
VIII	Company	Sep'18 to Mar'19	659	659	250.00	Equity	4 years	3,545.71
VIII #	Subsidiary	Sep'18 to Mar'19	1,99,149	1,99,149	10.00	Equity	4 years	3,785.71
IX	Subsidiary	Sep'18 to Mar'19	30,719	30,719	250.00	Equity	4 years	3,545.71
X	Company	May'19 to Nov'19	57,268	57,268	800.00	Equity	4 years	3,199.34
X	Subsidiary	May'19 to Nov'19	8,554	8,554	800.00	Equity	4 years	3,199.34
XI	Company	Apr'20 to Feb'21	10,191	10,191	800.00	Equity	1 year	3,299.45
XI	Company	Apr'20 to Feb'21	10,694	10,694	800.00	Equity	4 years	3,351.35
XI	Subsidiary	Apr'20	1,911	1,911	800.00	Equity	1 year	3,299.45
XI	Subsidiary	Apr'20	4,575	4,575	800.00	Equity	4 years	3,351.35
XII	Company	Apr'21	1,454	1,454	800.00	Equity	1 year	3,299.45
XII	Company	May'21	25	25	800.00	Equity	4 years	3,351.35
XII	Company	Dec'21	1,30,370	1,30,370	200.00	Equity	4 years	1,175.16
XII	Subsidiary	Apr'21	611	611	800.00	Equity	1 year	3,299.45
XII	Subsidiary	Apr'21	751	751	800.00	Equity	4 year	3,351.35
XII	Subsidiary	Jul'21	250	250	800.00	Equity	4 years	3,351.35
XII	Subsidiary	Dec'21	83,064	83,064	200.00	Equity	4 years	1,175.16
XII	Subsidiary	Mar'22	308	308	200.00	Equity	4 years	1,175.16
XIII	Company	Apr'22 to Feb'23	11,432	11,432	200.00	Equity	4 years	1,182.58
XIII	Subsidiary	Apr'22 to Feb'23	11,856	11,856	200.00	Equity	4 years	1,182.66

Grant letters for this issuance have infinite exercise period. For valuation purposes, the exercise period has been assumed to be 10 years from date of grant.

*This includes 3444 ESOPs granted to its consultants on February 02, 2014.

Vesting conditions:

The Options would vest only if the Option Grantee continues to be in employment of the Company on the date that they are due to vest. No options would vest in case employment is severed and in such case the date of resignation / termination shall be considered for reckoning the period of vesting.

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(ii) The expense recognised for employee services received during the year is shown in the

Rs Millions

Particulars	March 31, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions*	68.97	47.28
Total	**68.97**	**47.28**

* Net of capitalized ESOP expenses of Rs. 18.76 Million (Previous Year Rs. 1.55 Millions)

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

(iii) Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2023

Grant	Granted to Employees of	Options outstanding at April 1, 2022	Adjustments to opening balance	Granted during the year	Forfeited during the year	Exercised during the year	Expired / lapsed during the year	Outstanding at March 31, 2023	Exercisable at March 31, 2023	Weighted average remaining contractual life (in years)	Weighted average share price at the time of exercise	Date/Date range of grant
I	Company	4,532	-	-	-	-	-	4,532	4,532	-	-	Feb'14 to Mar'15
II	Company	50,972	-	-	-	-	-	50,972	50,972	-	-	Apr'15 to Sep'15
III	Company	3,704	-	-	-	-	-	3,704	3,704	-	-	Oct'15 to Mar'16
IV	Company	35,873	-	-	-	-	-	35,873	35,873	-	-	Apr'16 to Mar'17
V	Company	-	-	-	-	-	-	-	-	-	-	Apr'17 to Mar'18
VI	Company	29,959	-	-	-	-	-	29,959	29,959	-	-	Apr'17 to Mar'18
VI	Subsidiary	1,015	-	-	-	-	-	1,015	1,015	-	-	Apr'17 to Mar'18
VII	Company	22,198	-	-	-	-	-	22,198	22,198	-	-	Apr'18 to Aug'18
VII	Subsidiary	325	-	-	-	-	-	325	325	-	-	Apr'18 to Aug'18
VIII	Company	659	-	-	-	-	-	659	659	-	-	Sep'18 to Mar'19
VIII	Subsidiary	1,70,606	-	-	-	-	-	1,70,606	1,70,606	-	-	Sep'18 to Mar'19
IX	Subsidiary	19,653	-	-	1,281	-	-	18,372	18,372	-	-	Sep'18 to Mar'19
X	Company	34,185	-	-	594	-	-	33,591	29,256	0.34	-	May'19 to Nov'19
X	Subsidiary	7,294	-	-	648	-	-	6,646	5,761	0.34	-	May'19 to Nov'19
XI	Company	9,961	-	-	-	-	-	9,961	9,961	-	-	Apr'20 to Feb'21
XI	Company	6,095	-	-	158	-	-	5,937	4,512	0.53	-	Apr'20 to Feb'21
XI	Subsidiary	1,905	-	-	-	-	-	1,905	1,905	-	-	Apr'20
XI	Subsidiary	2,456	-	-	71	-	-	2,385	1,720	0.51	-	Apr'20
XI	Subsidiary	564	-	-	63	-	-	501	293	0.93	-	Apr'20 to Feb'21
XII	Company	843	-	-	-	-	-	843	843	-	-	Apr'21
XII	Company	25	-	-	18	-	-	7	7	-	-	May'21
XII	Company	1,30,370	154	-	1,653	-	-	1,28,871	40,570	1.50	-	Dec'21
XII	Subsidiary	611	-	-	-	-	-	611	611	-	-	Apr'21
XII	Subsidiary	751	-	-	564	-	-	187	187	-	-	Apr'21
XII	Subsidiary	250	-	-	-	-	-	250	93	1.18	-	Jul'21
XII	Subsidiary	77,524	-154	-	17,828	-	-	59,542	18,725	1.50	-	Dec'21
XII	Subsidiary	-	308	-	-	-	-	308	77	1.55	-	Mar'22
XIII	Company	-	-	11,432	-	-	-	11,432	-	1.83	-	Apr'22 to Feb'23
XIII	Subsidiary	-	-	11,856	-	-	-	11,856	76	1.50	-	Apr'22 to Feb'23
Total		6,12,330	308	23,288	22,878	-	-	6,13,048	4,52,812			

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(iv) Fair Value methodology

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Grant	Grant Period	Fair Valuation	Exercise price (Rs) per share	Risk free interest rate	Expected life (years)	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (Rs.) - adjusted for bonus/stock splits
I	Feb'14 to Mar'15	2-Feb-14	10.00	8.98%	5.5 - 7.01	NIL	NIL	522.50
II	Apr'15 to Sep'15	1-Jun-14	10.00	7.83%	5.5 - 7.01	NIL	NIL	691.00
III	Oct'15 to Mar'16	19-Oct-15	10.00	7.56%	5.5 - 7.01	NIL	NIL	691.00
IV	Apr'16 to Mar'17	10-May-16, 1-Oct-16, 1-Jan-17	10.00	7.43%	5.5 - 7.01	NIL	NIL	1,941.50
V	Apr'17 to Mar'18	21-Aug-17, 1-Sep-17	10.00	6.84%	5.5 - 7.01	NIL	NIL	2,133.00
VI	Apr'17 to Mar'18	09-Nov-17	250.00	6.84%	5.5 - 7.01	NIL	NIL	2,133.00
VII	Apr'18 to Aug'18	01-Apr-18	250.00	7.42%	5.5 - 7.01	NIL	NIL	2,215.00
VIII	Sep'18 to Mar'19	11-Sep-18	10.00	8.23%	5.5 - 7.01	NIL	NIL	3,795.71
IX	Sep'18 to Mar'19	11-Sep-18	250.00	8.23%	5.5 - 7.01	NIL	NIL	3,795.71
X	May'19 to Nov'19	01-Nov-19	800.00	6.37%	5.5 - 7.01	NIL	NIL	3,999.34
XI	Apr'20 to Feb'21	01-Apr-20	800.00	5.85%	4.5	NIL	NIL	3,914.30
XI	Apr'20 to Feb'21	01-Apr-20	800.00	6.21%	4.5 - 6.00	NIL	NIL	3,914.30
XI	Apr'20 to Feb'21	17-Nov-20	800.00	6.42%	5.13 - 6.63	NIL	NIL	3,914.30
XII	Apr'21 to Jul'21	17-Nov-20	800.00	6.42%	5.13 - 6.63	NIL	NIL	3,914.30
XII	Dec'21	31-Dec-21	200.00	6.41%	6.00 - 9.00	NIL	NIL	1,299.00
XII	Mar'22	31-Dec-21	200.00	6.41%	6.00 - 9.00	NIL	NIL	1,299.00
XIII	Apr'22 to Feb'23	Apr'22 to Feb'23	200.00	7.24%	5.00	NIL	NIL	1,299.00

(v) Shares held with the employee welfare trust for exercise under Employee Stock Option Plan

Particulars	No. of stock options/equity shares
a. Stock options available with the Employee Welfare Trust as on 31 March 2022	6,96,840
b. Equity shares allotted to Employee Welfare Trust during FY 2022-23	-
c. Stock Options exercised during FY 2022-23	-
d. Balance stock options available with Employee Welfare Trust on 31 March 2023 (a+b-c)	**6,96,840**

The unexercised equity shares held by the trust at the close of the year have been reduced against the share capital as if the trust is administered by the Company itself.

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Note 36: Transferred financial assets that are not derecognised in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. However, the company provides credit enhancement in such transactions and hence continues to remain exposed to the credit risk of the loans transferred. Accordingly, securitisation has resulted in the continued recognition of the securitised assets.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Loans and advances measured at amortised cost	**As at March 31, 2023**	**As at March 31, 2022**
Carrying amount of transferred assets measured at amortised cost	461.66	184.94
Carrying amount of associated liabilities	(372.72)	(145.02)
Fair value of assets	461.66	184.94
Fair value of associated liabilities	(372.72)	(145.02)

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

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Note 37: Maturity analysis of assets and liabilities
The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	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	303.45	-	**303.45**	552.06	-	**552.06**
Bank Balance other than above	2,349.10	86.15	**2,435.24**	3,909.80	32.20	**3,942.01**
Trade Receivables	130.56	-	**130.56**	8.14	-	**8.14**
Loans	5,355.46	2,166.82	**7,522.28**	3,362.36	823.58	**4,185.94**
Investments	-	3,930.75	**3,930.75**	-	3,825.75	**3,825.75**
Other financial assets	182.89	119.60	**302.49**	113.11	5.08	**118.19**
Non-financial Assets						
Current tax assets (net)	97.36	-	**97.36**	129.89	-	**129.89**
Property, plant and equipment	-	63.25	**63.25**	-	51.70	**51.70**
Right-of-use assets	-	70.99	**70.99**	-	92.18	**92.18**
Intangible assets under development	-	23.35	**23.35**	-	7.95	**7.95**
Other intangible assets	-	58.90	**58.90**	-	59.08	**59.08**
Other non financial assets	102.33	-	**102.33**	97.99	-	**97.99**
Total assets	**8,521.15**	**6,519.81**	**15,040.95**	**8,173.35**	**4,897.52**	**13,070.88**
Liabilities						
Financial Liabilities						
Payables						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	3.69	-	**3.69**	1.87	-	**1.87**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	306.41	-	**306.41**	94.60	-	**94.60**
Debt Securities	3,173.63	461.42	**3,635.05**	1,664.04	800.49	**2,464.53**
Borrowings (other than debt securities)	3,467.42	29.12	**3,496.54**	1,974.55	-	**1,974.55**
Other Financial liabilities	363.88	43.08	**406.97**	565.79	73.11	**638.90**
Non-financial Liabilities			**-**			
Provisions	20.74	271.95	**292.69**	15.82	137.64	**153.46**
Other non-financial liabilities	148.38	-	**148.38**	118.25	-	**118.25**
Total Liabilities	**7,484.15**	**805.57**	**8,289.73**	**4,434.92**	**1,011.24**	**5,446.16**
Net	**1,037.00**	**5,714.24**	**6,751.22**	**3,738.43**	**3,886.28**	**7,624.72**

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Note 38: Change in liabilities arising from financing activities

Particulars	As at March 31, 2022	Cash Flows	Other	As at March 31, 2023
Debt Securities	2,464.53	1,154.12	16.40	3,635.05
Borrowings other than debt securities	1,974.55	1,514.54	7.45	3,496.54
Total	**4,439.08**	**2,668.66**	**23.85**	**7,131.59**

Particulars	As at March 31, 2021	Cash Flows	Other	As at March 31, 2022
Debt Securities	2,310.83	152.05	1.65	2,464.53
Borrowings other than debt securities	2,261.25	(262.16)	(24.55)	1,974.55
Total	**4,572.08**	**(110.11)**	**(22.90)**	**4,439.08**

Note 39: Contingent liabilities, commitments

(A) Contingent Liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.
The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

a. Contingent Liabilities not provided for in respect of:

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matters - appeals by Company	3.95	3.95
Corporate guarantees given by Company *	64.88	135.13
Total	**68.83**	**139.08**

*The liability is subject to the confirmation by co-lenders

(B) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Undrawn Loan Commitments	12.16	1.30
Total	**12.16**	**1.30**

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Note 40: Related party disclosures

Relationship	Name of the party	
Subsidiary company	Axio Digital Private Limited (Previously known as Thumbworks Technologies Private Limited)	
	Axio Capital Private Limited	
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	Gaurav Shashank Bangalore Financial Ventures Private Limited	
	Gaurav Sashank Business Software Ventures Private Limited	
	Digital Lenders association of India	
	Name	**Designation**
Key Management Personnel	Gaurav Hinduja	Director
	Sashank Rishyasringa	Director
	Murali Venkataraman	Independent Director
	Ina Malhotra	Independent Director
	Akshay Sarma	Chief Financial Officer
	Impana HP	Company Secretary
Relatives of Key Management Personnel	Dinesh Jhamandas Hinduja	
	Namitha Hinduja	
	Nalini Hinduja	
	Jai Shamsunder Rupani	

Related Party transactions during the year:

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
Transactions								
Remuneration to Directors	-	-	-	-	31.45	27.92	-	-
Remuneration to other KMPs	-	-	-	-	13.02	18.82	-	-
Sitting Fees	-	-	-	-	3.90	2.10	-	-
Interest service fees (Expense)	2.38	2.62	-	-	-	-	-	-
Interest service fees (Income)	168.75	51.52	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	37.51	28.03
Office maintenance paid	-	-	-	-	-	-	-	0.54
Borrowings taken	-	-	-	-	-	-	339.00	184.50
Borrowings repaid	-	-	-	-	-	-	282.42	119.67
Membership / Subscription fees	-	-	0.43	-	-	-	-	-
Collection service income	0.02	0.02	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	24.33	22.93
Interest Income	33.06	91.83	-	-	-	-	-	-
Purchase consideration for slump sale (Refer note 49)	-	632.00	-	-	-	-	-	-
ESOP Loan debited during the year	40.35	155.14	-	-	-	-	-	-
ESOP Loan repayment received during the year	-	540.18	-	-	-	-	-	-
Referral Fees paid	289.88	39.31	-	-	-	-	-	-
Company Incorporation Expenses on behalf of Axio Capital Pvt Ltd	1.03	-	-	-	-	-	-	-
Investment in rights issue	-	2,679.81	-	-	-	-	-	-
Business Support Fees - Expense	71.06	61.36	-	-	-	-	-	-
Business Support Fees - Income	8.56	17.18	-	-	-	-	-	-

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Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Balances								
Balance outstanding as at the year end:								
Loans & advances given	429.75	-	0.82	0.82	-	-	-	-
Other receivable	103.95	62.58	-	-	-	-	-	-
Investments	3,930.75	3,825.75	-	-	-	-	-	-
Purchase consideration receivable for slump sale (Refer note 49)	-	31.20	-	-	-	-	-	-
Payable to Subsidiary	78.11	30.73	-	-	-	-	-	-
Security Deposit	-	-	-	-	-	-	7.50	7.50
Interest Expense	-	-	-	-	-	-	(2.36)	(0.45)
Borrowings	-	-	-	-	-	-	(282.42)	(119.67)

Compensation of key management personnel

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Short–term employee benefits	48.37	48.84
Post–employment pension (defined contribution)	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	**48.37**	**48.84**

Note:
a) Related parties have been identified on the basis of the declaration received by the management and other records available.
b) Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.

c) The Company enters into transactions, arrangements and agreements involving related parties in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

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Note 41: 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, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

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 maximise 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.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Regulatory capital		
Tier I Capital	2,879.78	4,333.36
Tier II Capital	24.69	18.88
Total capital	**2,904.47**	**4,352.24**
i) CRAR (%) (Tier I + Tier II)	**35.72%**	**98.36%**
ii) CRAR - Tier I capital (%)	35.42%	97.93%
iii) CRAR - Tier II Capital (%)	0.30%	0.43%

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier II Capital Instruments.

Note 42: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 43: Segment reporting

Since the company has only one reportable segment "business of financing" as the primary segment and it operates in a single geographical segment within India, no disclosure is required to be given as per Ind AS 108 on 'Segment Reporting' specified under section 133 of the Companies Act 2013.

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Note 44: Leases where the Company is a Lessee

The Company's lease asset class primarily consist of leases for Premises. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net carrying balance	**92.18**	**38.39**
Additions	18.10	87.48
Deletion	(0.33)	(0.82)
Depreciation	(38.96)	(32.87)
Closing net carrying balance	**70.99**	**92.18**

Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	112.20	57.25
Additions	17.22	73.46
Deletions	(0.43)	-
Accretion of interest	13.02	12.18
Payments	(52.25)	(30.69)
Closing Balance	**89.76**	**112.20**

Future Commitments

Particulars	As at March 31, 2023
Future undiscounted lease payments to which leases is not yet commenced	Nil

Maturity analysis of undiscounted lease liability
The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Up to 1 year	54.11	50.17
Over 1 year to 3 years	35.22	70.84
Over 3 year to 5 years	16.41	9.65
Over 5 years	-	0.40
Total undiscounted lease liabilities	**105.74**	**131.06**

Amounts recognized in the Statement of Profit and Loss	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expense		
Depreciation on right of use assets	(38.96)	(32.87)
Other expenses		
Short-term lease rent expense	1.85	0.69
Finance cost		
Interest expense on lease liability	13.02	12.18

The Company had total cash outflows for leases of Rs.52.25 millions for the year ended March 31, 2023; Rs. 30.69 millions in March 31, 2022.

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Note 45 : Fair value measurement

Fair value 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 a valuation technique.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions. The independent price verification process for financial reporting is ultimately the responsibility of the independent price verification team within Finance which reports to the CEO.

The IPV team validates fair value estimates by:

- Benchmarking prices against observable market prices or other independent sources
- Re-performing model calculations
- Evaluating and validating input parameters

The independent price verification team also challenges the model calibration on at least a quarterly basis or when significant events in the relevant markets occur.

The independent price verification team works together with the Finance function's accounting policy team and is responsible for ensuring that the final reported fair value figures are in compliance with Ind AS and will propose adjustments when needed.

When relying on third-party sources (e.g., broker quotes, or other micro or macro-economic inputs), the independent price verification team is also responsible for:

- Verifying and challenging the approved list of providers
- Understanding the valuation methodologies and sources of inputs and verifying their suitability for Ind AS reporting requirements

Valuation methodology

Quoted price in active markets (Level 1):

Assets and Liabilities whose quoted prices are available in the active markets have been classified as Level I

Observable inputs (Level 2):

Fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

Fair value of debt securities, borrowings other than debt securities have estimated by discounting expected future cash flows discounting rate near to report date based on comparable rate / market observable data.

Unobservable inputs (Level 3):

Unquoted equity shares are measured at fair value using suitable valuation models.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments other than those with carrying amounts that are approximates of fair value. This table does not include the fair values of non–financial assets and non–financial liabilities.

As at March 31, 2023

Particulars	Carrying value	Fair Value			
		Level I	Level II	Level III	Total
Financial assets					
Cash and cash equivalents	303.45	303.45	-	-	**303.45**
Bank balance other than above	2,435.24	2,435.24	-	-	**2,435.24**
Receivables	130.56	-	-	130.56	**130.56**
Loans	7,522.28	-	-	7,522.28	**7,522.28**
Investments	3,930.75	-	-	3,930.75	**3,930.75**
Other financial assets	302.49	-	-	302.49	**302.49**
Total	**14,624.77**	**2,738.69**	**-**	**11,886.08**	**14,624.77**
Financial liabilities					
Trade Payables	310.10	-	-	310.10	**310.10**
Debt securities	3,635.05	-	3,645.40	-	**3,645.40**
Borrowings (other than debt securities)	3,496.54	-	3,505.68	-	**3,505.68**
Other financial liabilities	406.97	-	-	406.97	**406.97**
Total	**7,848.66**	**-**	**7,151.08**	**717.07**	**7,868.15**

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As at March 31, 2022

Particulars	Carrying value	Fair Value			
		Level I	Level II	Level III	Total
Financial assets					
Cash and cash equivalents	552.06	552.06	-	-	**552.06**
Bank balance other than above	3,942.01	3,942.01	-	-	**3,942.01**
Trade receivables	8.14	-	-	8.14	**8.14**
Loans	4,185.94	-	-	4,185.94	**4,185.94**
Investments	3,825.75	-	-	3,825.75	**3,825.75**
Other financial assets	118.19	-	-	118.19	**118.19**
Total	**12,632.09**	**4,494.07**	**-**	**8,138.02**	**12,632.09**
Financial liabilities					
Trade Payables	96.47	-	-	96.47	**96.47**
Debt securities	2,464.53	-	2,469.37	-	**2,469.37**
Borrowings (other than debt securities)	1,974.55	-	1,985.46	-	**1,985.46**
Other financial liabilities	638.90	-	-	638.90	**638.90**
Total	**5,174.45**	**-**	**4,454.83**	**735.37**	**5,190.20**

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2023 and March 31, 2022.

Valuation techniques

The management assessed that cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Borrowings and Debt securities- The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

Assets and Liabilities other than above - The carrying value of financial assets and liabilities other than debt securities and borrowings represents a reasonable approximation of fair value.

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Note 46: Risk Management

46.1 Introduction and Risk Profile
CapFloat Financial Services Private Limited ("The Company" or " CapFloat") started of its operations in 2013 with SME term loan segments, the emerging e-commerce industry was the first target segment. which eventually diversified into open market SME terms loans and eventually into consumer/BNPL loans. the risk and credit functions over the period of time have been integrated under a single risk organisation. Customer segment identification, credit policies and risk limits are signed off by the risk functions before the start of the program. they are based on profitability projections, macro economic scenarios and competition.

This process of risk management is critical to company's vision, and holds very high importance in the board governance. The company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

46.1.1 Risk management structure
The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company, which reports to the Audit committee. The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company. The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

46.1.2 Risk mitigation and risk culture
As part of the overall risk management, all lending products are manned by individual risk owners, they are responsible for credit policy, risk tracking and risk management and final non-performing assets (i.e. credit impaired assets) target. Additionally, compliance function and fraud risk functions are structured as overarching processes to prevent and mitigate frauds. There is an independent internal audit process managed by compliance team to ensure risks and process breakdowns are identified and rectified in timely manner.

As a way to ensure robust risk awareness, employees directly involved in business functions (e.g., sales, collections, credit) are measured on risk parameters. Final compensation is a function of credit risk being met as per plan.

46.1.3 Risk measurement and reporting systems
The firms risk measurement framework is fully automated with minimal manual interaction required to transform and view data trends. The dashboards are hosted on power BI and are directly linked to data ware house. Reducing the need to have data stored and managed at individual levels. The credit policy and CRM teams use various statistical models including (CHAID, regression, ML) to arrive at various default models and credit policies.

The firm as a policy to measure and monitor the overall risk capacity based on recent default trends and changing market conditions. As a policy, the risk team presents the overall risk and collection trends monthly to senior management and quarterly to RMC. The RMC reviews the important policy changes and emerging trends over the past quarter and any significant divergences expected.

Credit policy and pricing decisions at CapFloat are made based on cohort data as against calendar numbers. This gives out a stable measure of risk and reduces noise in data due to portfolio movement. Stress testing and loss forecasting is used continuously to be able to take corrective actions. This also helps the collections team to improve and plan better.

46.1.4 Excessive risk concentration

Given the diversified products and retail nature of the business, concentration risk is not a material risk for the Company. The credit policies in SME include max industry / segment exposures apart from concentration in a given geography. Consumer products do not possess any material risk given the geography spread of distribution channels /platforms, even though the company has significant exposure.

(a) Credit Risk
Credit risk management: Four critical components under credit risk management
1. Customer selection criterion- managing and controlling the type and kind of customers at the on-boarding is the first step towards sound credit risk management. Policies and caps around managing the same form important part of the framework.
2. Line assignment- loan amount assigned in line with cash flows and income and tenure is a centre piece to the risk management.
3. Risk mitigation- Consumer loans run on in depth data and trend tracking given the automated and granular loans.
4. Collections- the last line of defence, important cog in the wheel. Capacity management and flow rates are tracked and managed to maintain an optimal product of flow.

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46.2.1 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the *Summary of significant accounting policies*.

The Company's definition and assessment of default (Note 46.2.2.1).
-An explanation of the Company's internal grading system (Note 46.2.2.2)
-How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default) (Notes 46.2.2.2 to 46.2.2.4)
-When the Company considers there has been a significant increase in credit risk of an exposure (Note 46.2.2.5)
-The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 46.2.2.6)
-The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 7)

46.2.2.1 Definition of default
The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 89 days past dues. CapFloat also considers cases which are proven as fraud under default and take pre-emptive provision for the same. Also, the company is considering all restructured loans in Stage 3 except for restructuring cases under one time restructuring framework issued by RBI

46.2.2.2 PD estimation process
It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical roll rate data available with CF. While arriving at the PD, the firm also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary.
Stage 1 PD: Company calculates the 12 month PD by taking into account the past 1 year trends of the portfolio and its credit performance, the analysis is based on the probability of movement into NPA ever, over a period of 12 months.
Stage 2 PD: In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is same as 12 M PD for short term products and remaining lifetime for long term loans.
Stage 3 PD: For credit impaired assets, a PD of 100% has been applied.

46.2.2.3 Exposure at Default (EAD)
The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.
To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.
For Stage 2 and Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

46.2.2.4 Loss Given Default (LGD)
LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive.
The LGD estimates are based on the time-discounted recoveries during an estimated recovery window after advances become NPA.

46.2.2.5 Significant increase in credit risk
If contractual payments are more than 30 days past due or bouned repayments not resolved before the next contractual payment, the credit risk is deemed to have increased significantly since initial recognition, CF has not used the rebuttal pre assumption given limited historic trend and unsecured loan book.
When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 46.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

46.2.2.6 Grouping financial assets measured on a collective basis
Dependant on the factors below, the Company calculates ECLs only on a collective basis
The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Merchant Cash Advance
2. Unsecured Business Loans 1
3. Unsecured Business Loans 2
4. Unsecured Business Loans 3
5. Personal Loans
6. Personal Line of Credit (Walnut DM)
7. BNPL - Online Checkout

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46.3 Analysis of risk concentration

(As provided by the management and relied upon by auditors)

The maximum credit to any individual client or counterparty as of March 31, 2023 was Rs. 429.75 million (March 31, 2022: Rs. 7.75 million)

Loans	As at March 31, 2023	As at March 31, 2022
Advertising	0.76	3.17
Automobiles (OEM/ dealer/ retailer/ service)	6.46	26.04
Construction materials/ timber/ glass/ electricals	19.19	77.90
Ecommerce	-	-
Educational institutions	55.53	192.72
FMCG/ Retail grocery stores/ foods	29.31	159.84
Healthcare	20.00	112.35
Hotels, Restaurants & restobars	4.55	25.03
Kirana Loans	-	-
Lifestyle - apparels, textiles, footwear, luggage, jewelry, etc.	25.56	114.63
Manufacturing/ machinery/ industrial products	27.40	161.87
Miscellaneous	7.84	40.62
Mobile phones & accessories (distributor/ retailer)	5.70	27.98
Petrol pumps & fuel	1.45	26.03
Plastic & paper products	21.74	67.32
Security services/ facility management	12.02	28.52
Taxi Loans	-	0.14
Travel & logistics	3.25	14.74
White goods/ computers/ domestic stationery/ furnitures	26.84	107.98
Service Industry	435.80	21.39
Consumer Loans	6,813.68	3,119.63
Grand Total	**7,517.08**	**4,327.90**

*The above disclosure does not include re-classification and Ind AS adjustments amounting to Rs. 415.32 million (March 31, 2022: Rs. 254.94 million)

Credit quality per segments, industry and asset classes

Credit risk exposure analysis

Consumer Loans	As at March 31, 2023	As at March 31, 2022
Andhra Pradesh / Telangana	1,309.89	1,004.59
Assam	52.62	12.92
Bihar	4.02	0.69
Chandigarh	180.39	50.12
Chhattisgarh	22.59	5.34
Delhi	973.18	410.55
Gujarat	315.26	146.39
Haryana	153.66	56.90
Jharkhand	33.75	14.76
Karnataka	779.20	372.30
Kerala	170.05	54.68
Madhya Pradesh	171.38	68.46
Maharashtra	1,012.59	484.71
Odisha	62.39	23.76
Pondicherry	13.01	5.44
Punjab	22.70	7.93
Rajasthan	192.70	80.18
Tamil Nadu	696.69	37.19
Telangana	-	-
Uttar Pradesh	301.44	129.37
Uttarakhand	10.59	5.08
West Bengal	275.96	125.42
Himachal Pradesh	15.54	4.71
North-east Indian states	36.01	7.11
Others	8.08	11.05
Grand Total	**6,813.69**	**3,119.65**

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SME	As at March 31, 2023	As at March 31, 2022
Andhra Pradesh or Telangana	39.67	166.92
Delhi	42.76	213.27
Gujarat	24.70	117.63
Haryana	-	-
Himachal Pradesh	-	-
Karnataka	29.21	114.83
Kerala	6.02	18.08
Maharashtra	450.93	116.11
Madhya Pradesh	5.42	19.39
Pondicherry	-	0.20
Punjab	-	-
Rajasthan	13.56	53.67
Tamil Nadu	68.62	290.10
Telangana	-	-
Uttar Pradesh	7.39	37.59
West Bengal	4.40	20.72
Dadra & Nagar Haveli	-	-
Chandigarh	10.71	39.76
Others	-	-
Grand Total	**703.39**	**1,208.27**

*The above disclosure does not include re-classification and Ind AS adjustments amounting to Rs. 415.32 million (March 31, 2022: Rs. 254.94 million)

46.3 Collateral and other credit enhancements
Fair value of collateral and credit enhancements held

As at March 31, 2023	Maximum exposure to credit risk	Plant and machinery	Total collateral	Net exposure	Associated ECLs
Financial assets*					
Loans (Secured)	-	-	-	-	-
Total financial assets at amortised cost					
Other commitments					

*Financial asset with collateral are disclosed above

As at March 31, 2022	Maximum exposure to credit risk	Plant and machinery	Total collateral	Net exposure	Associated ECLs
Financial assets*					
Loans (Secured)	0.14	3.07	3.07	(2.93)	0.06
Total financial assets at amortised cost					
Other commitments					

*Financial asset with collateral are disclosed above

Collateral and other credit enhancements

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure show below when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

<u>Type of credit enhancement or collateral</u>		Fair value of collateral and credit enhancements held under the base case scenario			
As at March 31, 2023	**Maximum exposure to credit risk**	**Plant and machinery**	**Total collateral**	**Net exposure**	**Associated ECLs**
Loans	-	-	-	-	-
Total financial assets at amortised cost					

<u>Type of credit enhancement or collateral</u>		Fair value of collateral and credit enhancements held under the base case scenario			
As at March 31, 2022	**Maximum exposure to credit risk**	**Plant and machinery**	**Total collateral**	**Net exposure**	**Associated ECLs**
Loans	0.06	0.09	0.09	(0.04)	0.04
Total financial assets at amortised cost					

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Note 46: Risk Management

(b) Liquidity risk and funding management
(Certain assumptions have been considered by the management which have been relied upon by the auditors)

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Liquidity Ratios

Advances to borrowings ratios

Particulars	As at March 31, 2023	As at March 31, 2022
Year-end	111.23%	103.24%
Maximum	122.45%	128.72%
Minimum	94.31%	111.56%
Average	111.28%	124.13%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2023

Particulars	On demand	Upto one Month	One month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	more than 5 years	Total
Financial assets										
Cash and cash equivalents	303.45	-	-	-	-	-	-	-	-	303.45
Bank balance other than above	-	607.76	1.61	21.25	72.87	1,762.55	100.83	-		2,566.87
Receivables	134.64	-	-	-	-	-	-	-	-	134.64
Loans	-	1,137.35	599.86	540.91	1,351.94	2,387.90	2,402.26	162.35	0.92	8,583.49
Investments	-	-	-	-	-	-	-	-	3,930.75	3,930.75
Other financial assets	116.46	9.16	8.56	7.95	20.13	25.06	116.54	3.71	-	307.57
Total undiscounted financial assets	554.55	1,754.27	610.03	570.11	1,444.94	4,175.51	2,619.63	166.06	3,931.67	15826.77
Financial liabilities										
Trade Payables	310.10	-	-	-	-	-	-	-	-	310.10
Debt securities	-	268.08	200.69	387.10	1,177.75	1,403.31	490.98	-	-	3,927.91
Borrowings (other than debt securities)*	-	356.66	410.12	307.87	936.47	1,574.62	30.00	-	-	3,615.74
Other financial liabilities	160.99	163.86	4.35	3.89	12.03	24.41	35.22	16.41	1.78	422.94
Total undiscounted financial liabilities	471.09	788.60	615.16	698.86	2,126.25	3,002.34	556.20	16.41	1.78	8,276.69

(All amounts in Rs. millions, unless otherwise stated)

As at March 31, 2022

Particulars	On demand	Upto one Month	One month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	more than 5 years	Total
Financial assets										
Cash and cash equivalents	552.06	-	-	-	-	-	-	-	-	552.06
Bank balance other than above	-	1,587.30	10.04	518.89	151.18	1,742.93	35.56	-		4,045.90
Receivables	11.35	-	-	-	-	-	-	-	-	11.35
Loans	-	753.70	675.50	397.09	932.56	1,008.12	943.46	244.67	-	4,955.10
Investments	-	-	-	-	-	-	-	-	3,825.75	3,825.75
Other financial assets	106.46	-	-	-	5.60	1.33	3.08	-	1.99	118.46
Total undiscounted financial assets	669.87	2,341.00	685.54	915.98	1,089.34	2,752.38	982.10	244.67	3,827.74	13,508.62
Financial liabilities										
Trade Payables	96.47	-	-	-	-	-	-	-	-	96.47
Debt securities	-	155.06	101.03	214.15	468.87	934.03	881.07	-	-	2,754.21
Borrowings (other than debt securities)	-	1,060.41	137.50	82.83	214.00	541.67	-		-	2,036.41
Other financial liabilities	138.93	388.34	8.53	-	14.96	24.33	70.84	9.65	2.19	657.77
Total undiscounted financial liabilities	235.40	1,603.81	247.06	296.98	697.83	1,500.03	951.91	9.65	2.19	5,544.86

The table below shows the contractual expiry by maturity of the Company's commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	Upto one Month	One month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
As at March 31, 2023								
Other undrawn commitments to lend	12.16	-	-	-	-	-	-	12.16
Total commitments	**12.16**	-	-	-	-	-	-	**12.16**
As at March 31, 2022								
Other undrawn commitments to lend	1.30	-	-	-	-	-	-	1.30
Total commitments	**1.30**	-	-	-	-	-	-	**1.30**

The Company expects that not all of the commitments will be drawn before expiry of the commitments.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices.

Total market risk exposure

Particulars	As at March 31, 2023			As at March 31, 2022			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets							
Cash and cash equivalents	303.45	-	303.45	552.06	-	552.06	Interest rate
Bank balance other than above	2,435.24	-	2,435.24	3,942.01	-	3,942.01	Interest rate
Receivables	130.56	-	130.56	8.14	-	8.14	Interest rate
Loans	7,522.28	-	7,522.28	4,185.94	-	4,185.94	Interest rate
Investments	3,930.75	-	3,930.75	3,825.75	-	3,825.75	Equity Price
Other financial assets	302.49	-	302.49	118.19	-	118.19	Interest rate
Total	**14,624.77**	**-**	**14,624.77**	**12,632.09**	**-**	**12,632.09**	
Liabilities							
Trade Payables	310.10	-	310.10	96.47	-	96.47	Interest rate
Debt securities	3,635.05	-	3,635.05	2,464.53	-	2,464.53	Interest rate
Borrowings (other than debt securities)	3,496.54	-	3,496.54	1,974.55	-	1,974.55	Interest rate
Other financial liabilities	406.97	-	406.97	638.90	-	638.90	Interest rate
Total	**7,848.66**	**-**	**7,848.66**	**5,174.45**	**-**	**5,174.45**	

(All amounts in Rs. millions, unless otherwise stated)

i) Interest rate risk
Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Company's lending, funding and investment activities give rise to interest rate risk.
The immediate impact of variation in interest rate is on the Company's net interest income, while a long term impact is on the Company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them are continuously monitored.

Interest Rate Risk arises due to:
a) Changes in Regulatory or Market Conditions affecting the interest rates
b) Short term volatility
c) Prepayment risk translating into a reinvestment risk
d) Real interest rate risk

ii) Equity price risk
Equity price risk is the risk that the fair value of equities decreases as the result of changes in the expected future cash flows.

iii) Prepayment risk
Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.
The Company uses regression models to project the impact of varying levels of prepayment on its net interest income. The model makes a distinction between the different reasons for repayment (e.g., relocation, refinancing and renegotiation) and takes into account the effect of any prepayment penalties. The model is back tested against actual outcomes.

iii) Operational risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Note 47: Expenditure in foreign currency

Particulars	March 31, 2023	March 31, 2022
Technology Expenses	2.12	1.40
Website/E mail hosting charges	-	7.94
Marketing Expenses	5.03	-
Professional Fees - Fund Raising	2.57	36.93
Travelling Expenses	0.16	-
Total	**9.89**	**46.28**

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Note 48 :Statutory disclosure required as per Schedule III Division III of the Companies Act, 2013:-

a. The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.

b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

c. The Company has not entered any transactions with companies that were struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

d The Company is in compliance with number of layers of companies, as prescribed under clause (87)of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

e The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosures are not applicable, since there were no such transaction.

g The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

h The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

i The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

j The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

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(All amounts in Rs. millions, unless otherwise stated)

Note 49: Slump Sale of Technology Business

During the previous year, through an agreement dated September 29, 2021, the Company had transferred its technology business to its subsidiary in a slum sale transaction for a consideration of Rs. 632 millions. A brief summary of the assets and liabilities transferred in the said slump sale is as follows:

Particulars	Amount
Sale Consideration (i)	**632.00**
Assets transferred at book value:	
Intangible assets (Written down value)	41.89
Computers (Written down value)	0.27
Total (ii)	**42.16**
Liabilities transferred at book value:	
Gratuity and compensated absences	5.02
ESOP grants to the employees of subsidiary	14.14
Salary and bonus	10.04
Total (iii)	**29.20**
Net assets transferred [(iv) = (ii - iii)]	**12.96**
Gain on slump sale [(v) = (i) - (iv)]	**619.04**

Note 50: Consideration of COVID-19 impact on the financial statements

The Company has carried out the assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the adverse impact of COVID-19 is not material to these financial statements for the current year and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature, uncertainty and duration of COVID-19.

Note 51: In accordance with the instructions in the RBI circular dated April 7, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has continued a provision of Rs. 9.2 Million as at March 31, 2023.

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Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions, unless otherwise stated)

Note 52: Previous Year's Note

The Previous Year's figures have been regrouped/ rearranged wherever necessary to make them comparable to current year.

Note 53: RBI Disclosures

Refer annexure I, II, III, IV for disclosures as required by Reserve Bank of India. The said annexures are in line with the following notifications / circulars / guidelines issued by the Reserve Bank of India:

Annexure I: Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13th March 2020

Annexure II: Disclosure as required in terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016. These directions are called Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022

Annexure III: A) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021
Annexure III: B) Disclosure pursuant to RBI Notification -RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated 6 August 2020 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector
Annexure III: C) Disclosure pursuant to RBI Notification -RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector

Annexure IV: Disclosure as per RBI notification no. RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 'Master Direction – Reserve Bank of India (Transfer ofLoan Exposures) Directions, 2021

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023

For and on behalf of the Board of Directors of
CapFloat Financial Services Private Limited

Gaurav Dinesh Hinduja
Director
DIN : 01264801

Sashank R Rishyashringa
Director
DIN : 06466985

Akshay Sarma
Chief Financial Officer
Place: Bengaluru
Date: June 26, 2023

Impana H P
Company Secretary
Membership No. A59531
Place: Bengaluru
Date: June 26, 2023

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Notes to financial statements for the year ended March 31, 2023

Annexure I: Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 - Implementation of Indian Accounting Standards (IndAS)
A comparison between provision required under IRACP and impairment allowances under Ind AS 109:

As at March 31, 2023

(Amount in Rs. crores)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount As per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	736.93	13.48	723.45	2.95	10.53
	Stage 2	35.57	12.55	23.02	0.14	12.40
Subtotal		**772.50**	**26.03**	**746.47**	**3.09**	**22.93**
Non-Performing Assets (NPA)						
Substandard	Stage 3	20.74	14.99	5.76	2.07	12.91
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3					
Subtotal for NPA		**20.74**	**14.99**	**5.76**	**2.07**	**12.91**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		**793.24**	**41.01**	**752.23**	**5.16**	**35.85**
Total	**Stage 1**	**736.93**	**13.48**	**723.45**	**2.95**	**10.53**
	Stage 2	**35.57**	**12.55**	**23.02**	**0.14**	**12.40**
	Stage 3	**20.74**	**14.99**	**5.76**	**2.07**	**12.91**

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Notes to financial statements for the year ended March 31, 2023

A comparison between provision required under IRACP and impairment allowances under Ind AS 109:

As at March 31, 2022

(Amount in Rs. crores)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount As per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	390.32	7.78	382.54	1.56	6.22
	Stage 2	45.74	16.06	29.68	7.74	8.32
Subtotal		**436.06**	**23.84**	**412.22**	**9.30**	**14.54**
Non-Performing Assets (NPA)						
Substandard	Stage 3	22.22	15.85	6.37	2.22	13.63
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**22.22**	**15.85**	**6.37**	**2.22**	**13.63**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		**458.28**	**39.69**	**418.60**	**11.52**	**28.16**
Total	**Stage 1**	**390.32**	**7.78**	**382.54**	**1.56**	**6.22**
	Stage 2	**45.74**	**16.06**	**29.68**	**7.74**	**8.32**
	Stage 3	**22.22**	**15.85**	**6.37**	**2.22**	**13.63**

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Notes to financial statements for the year ended March 31, 2023

Annexure II: Disclosure as required in terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016. These directions are called Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022

A. Capital to Risk Assets Ratio (CRAR)

Particulars	Current Year	Previous Year
i) CRAR (%)	**35.72%**	**98.36%**
ii) CRAR - Tier I capital (%)	35.42%	97.93%
iii) CRAR - Tier II Capital (%)	0.30%	0.43%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

B. Investments

(Amount in Rs Crores)

Particulars	Current Year	Previous Year
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	393.08	382.58
(a) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	393.08	382.58
(a) 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	-	-

C. Derivatives
The Company has no transactions/exposure in derivative during the current and previous year.

D. Maturity pattern of certain assets and liabilities**

(Amount in Rs Crores)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 1 month	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
Advances (gross of provision)	130.26	0.48	0.20	50.27	45.12	120.68	206.60	215.41	24.15	0.07	**793.24**
Investments^	-	-	60.00	-	-	3.01	153.05	-	-	393.08	**609.14**
Borrowings *	23.57	5.98	32.20	56.64	63.95	195.78	285.98	49.05	-	-	**713.15**

* The tenor for certain borrowings has been considered only upto call / put option is exercisable by the lender.
^ Investments include investments in shares of subsidiary and fixed deposits (of Rs 216.06 crores placed with bank under lien for Over draft facilities)
** In the preparation of the above disclosure, certain assumptions have been considered by the management which have been relied upon by the auditors

E. Exposures

i) Exposures to real estate sector, both direct and indirect
The Company has no exposure in real estate during the current and previous year.

ii) Exposure to Capital Market
The Company has no exposure in capital market during the current and previous year.

iii) Details of financing of parent company products
Not Applicable

iv) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC
During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulations.

v) Unsecured Advances
During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.

vi) Sectoral Exposure

(Amount in Rs Crores)

Sectors	Current Year			Previous Year		
	Total Exposure (includes on BS & off BS exposure)	Gross NPA's	% of Gross NPAs to total exposure in the sector	Total Exposure (includes on BS & off BS exposure)	Gross NPA's	% of Gross NPAs to total exposure in the sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	13.81	0.84	6.1%	65.54	6.29	9.6%
3. Services	12.77	0.85	6.7%	51.26	4.18	8.2%
4. Personal Loans	766.66	19.05	2.5%	341.49	11.75	3.4%

vii) Intra Group Exposures

Particulars	Current Year	Previous Year
1. Total amount of Intra Group Exposures	45.56	3.18
2. Total amount of top 20 Intra Group Exposures	45.56	3.18
3. % of Intra group exposure to total exposure of NBFC on borrowers/customers	6%	1%

viii) Unhedged Foreign Currency Exposure
The Company has no unhedged foreign currency exposure as on March 31, 2023 (Previous Year: Nil)

ix) Divergence in Asset Classification and Provisioning:
No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2023 and for the year ended 31 March 2022 as per the requirement of the circular no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022.

F. Miscellaneous

1. The Company has not obtained Registration from other financial sector regulators.

2. Disclosure of Penalties imposed by RBI and other regulators
Penalties or fines pursuant to a contractual obligation are not considered as penalties or fines. Expenditure incurred for any purpose which is an offence or which is prohibited by law is restricted to items where the disclosed purpose of such payment is, to the assessee's knowledge, an offence or prohibited by law. During the year, there are no penalties imposed by RBI or any other regulators

3. Related Party Transactions: Refer Note 40 for transactions with related party transactions as per IndAS-24

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Notes to financial statements for the year ended March 31, 2023

4. Ratings assigned by credit rating agencies and migration of ratings during the year

Rating type	Credit Rating Agency	As at March 31, 2023	As at March 31, 2022
Long term Debentures and bank loans	ICRA	NA	BBB-(stable)
	India Ratings	BBB (stable)	NA
Commercial Paper	India Ratings	A3+	A3
	CRISIL	A3+	NA
Short term Debentures and bank loans	ICRA	NA	A3
	CRISIL	A3+	NA
	India Ratings	BBB (stable)	BBB-(stable)
5. Remuneration of Directors (Non-executive) - Sitting fee (Rs. In crores)		0.39	0.29

G. Additional disclosures

1. Provisions and Contingencies

(Amount in Rs Crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	Current Year	Previous Year
Provision towards NPA	15.00	(4.07)
Provision for Standard Assets	44.27	(28.98)

2. Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

3. Concentration of Advances, Exposures and NPAs

I) Concentration of Advances (Amount in Rs Crores)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers*	48.25	9.80
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	6.08%	2.14%

*Includes Rs.42.98 crores to subsidiary company(March 31, 2022 : Rs.Nil)

II) Concentration of Exposures (Amount in Rs Crores)

Particulars	Current Year	Previous Year
Total Exposures to twenty largest borrowers*	50.80	15.70
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	6.38%	3.38%

*Includes Rs.45.46 Crores exposure to subsidiary company(March 31, 2022 : 6.26 Crores)

III) Concentration of NPAs

(Amount in Rs Crores)

Particulars	Current Year	Previous Year
Total Exposures to top four NPA accounts	0.89	1.83

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IV) Sector-wise NPAs

Particulars	Current Year	Previous Year
Sector	**% of NPAs to Total Advances in that sector**	**% of NPAs to Total Advances in that sector**
1. Agriculture & allied activities	-	-
2. MSME	19.38%	14.43%
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	2.03%	0.94%
6. Auto loans	0.00%	40.10%
7. Other personal loans	-	-

V) Movement of NPAs

(Amount in Rs Crores)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.74%	1.44%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	22.22	23.71
(b) Additions during the year	18.23	20.76
(c) Reductions during the year	(19.71)	(22.25)
(d) Closing balance	20.74	22.22
(iii) Movement of Net NPAs		
(a) Opening balance	6.37	3.79
(b) Additions during the year	(10.51)	8.89
(c) Reductions during the year	9.88	(6.32)
(d) Closing balance	5.76	6.37
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	15.85	19.92
(b) Provisions made during the year	28.72	11.86
(c) Write-off / write-back of excess provisions	(29.59)	(15.93)
(d) Closing balance	14.99	15.85

H. Overseas Assets

Particulars	Current Year	Previous Year
Name of the Subsidiary	-	-
Country	-	-
Total Assets	-	-

I. Off Balance Sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored.

J. Disclosure of Customer Complaints (As certified by Management and relied by Auditors)

Customer Complaints

Particulars	Current Year	Previous Year
(a) No. of complaints pending at the beginning of the year	5	19
(b) No. of complaints received during the year*	417	253
(c) No. of complaints redressed during the year*	422	267
(ci) Of which, No. of complaints rejected during the year.		
(d) No. of complaints pending at the end of the year	-	5

* Previous year number reclassified based on current year's methodology of complaint identification

Top Five Grounds of Complaints received by the NBFC from Customers

Current Year

Grounds of Complaints	No. of compalints pending at beginning of the year	No. of compalints received during year	% of Increase/decrease in No. of complaints received over previous year	No. of complaints pending at end of the year (1)	Of (1), No. of complaints pending beyond 30 days
CIBIL Related	5	98	92%	-	-
Loan Cancellation	-	51	96%	-	-
Charges Related	-	30	67%	-	-
Potential Fraud	-	30	25%	-	-
Refund Related	-	27	108%	-	-
Others	-	181	50%	-	-
Total	**5**	**417**	**65%**	**-**	**-**

Previous Year

Grounds of Complaints	No. of compalints pending at beginning of the year	No. of compalints received during year	% of Increase/decrease in No. of complaints received over previous year	No. of complaints pending at end of the year (1)	Of (1), No. of complaints pending beyond 30 days
CIBIL Related	19	51	29%	5	-
Loan Cancellation	-	26	73%	-	-
Charges Related	-	18	333%	-	-
Potential Fraud	-	24	50%	-	-
Refund Related	-	13	-25%	-	-
Others	-	121	28%	-	-
Total	**19**	**253**	**32%**	**5**	**-**

K. Frauds reported to RBI

Instances of fraud for the year ended March 31, 2023: (Amount in Rs. crores)

Nature of fraud	No of cases	Amount of fraud	Recovery	Amount written off*
Fraud committed by borrowers	1805	3.36	Nil	1.77
Fraud committed by outsiders	-	-	-	-
Fraud committed by employees	-	-	-	-

*The amount written off is pertaining to the incidents concluded as actual frauds subsequent to RBI reporting.

Instances of fraud for the year ended March 31, 2022: (Amount in Rs. crores)

Nature of fraud	No of cases	Amount of fraud	Recovery	Amount written off
Fraud committed by borrowers	804	0.46	Nil	0.46
Fraud committed by outsiders	-	-	-	-
Fraud committed by employees	-	-	-	-

H. Loans to Directors, Senior Officers and relatives of Directors.

	Current Year	Previous Year
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

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(Amount in Rs. crores)

L. DISCLOSURE OF RESTRUCTURED ACCOUNTS

Sr. no.	Type of restructuring-Others*		Assets classification									
	Financial year		Year ended March 31, 2023					Year ended March 31, 2022				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on April 1	No. of borrowers	-	215	-	-	**215**	-	428	-	-	**428**
		Amount outstanding	-	3.99	-	-	**3.99**	-	4.29	-	-	**4.29**
		Provision thereon**	-	3.05	-	-	**3.05**	-	3.15	-	-	**3.15**
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	7	-	-	**7**
		Amount outstanding	-	0.00	-	-	**0.00**	-	2.68	-	-	**2.68**
		Provision thereon***	-	0.00	-	-	**0.00**	-	2.06	-	-	**2.06**
3	Upgradation	No. of borrowers	-		-	-	-	-		-	-	-
		Amount outstanding	-		-	-	-	-		-	-	-
		Provision thereon**	-		-	-	-	-		-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-		-	-	-	-		-	-	-
		Amount outstanding	-		-	-	-	-		-	-	-
		Provision thereon**	-		-	-	-	-		-	-	-
5	Down gradation of restructured accounts during the year	No. of borrowers	-		-	-	-	-		-	-	-
		Amount outstanding	-		-	-	-	-		-	-	-
		Provision thereon**	-		-	-	-	-		-	-	-
6	Write-offs/recovery of restructured accounts during the year	No. of borrowers	-	209	-	-	**209**	-	220	-	-	**220**
		Amount outstanding	-	3.30	-	-	**3.30**	-	2.98	-	-	**2.98**
		Provision thereon**	-	2.53	-	-	**2.53**	-	2.16	-	-	**2.16**
	Dividend income from mutual fund		-		-		-	-		-		-
7	Restructured accounts as on March 31	No. of borrowers	-	6	-	-	**6**	-	215	-	-	**215**
		Amount outstanding	-	0.68	-	-	**0.68**	0.00	3.99	0.00	0.00	**3.99**
		Provision thereon**	-	0.52	-	-	**0.52**	0.00	3.05	0.00	0.00	**3.05**

The outstanding amount and number of borrowers as at March 31, 2023 and March 31, 2022 is after considering recoveries during the year.

Additional facilities availed by borrowers in existing restructured accounts and partial repayments in existing restructured accounts are disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

For the purpose of arithmetical accuracy as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, movement in provisions in the existing restructured account as compared to opening balance is disclosed under write-off/sale/recovery (for any change in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

*Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.

**Includes movement of Amount Outsanding and Provision thereon of the Existing Resturctured Accounts

***Provisions considered as per ECL

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M : Details of securitisation transactions outstanding as at Balance Sheet date.

(Amount in Rs. crores)

S. No.	Particulars	No./ Amount
1	No of SPVs sponsored by the NBFC for securitisation transactions	4
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC*	46.17
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	8.89
	a) Off-balance sheet exposures	-
	- First loss	-
	- Others	-
	b) On-balance sheet exposures	8.89
	- First loss	8.89
	- Others	-
4	Amount of exposures to securitisation transactions other than MRR	6.49
	a) Off-balance sheet exposures	0.00
	i) Exposure to own securitisations	0.00
	- First loss **	0.00
	- Others	-
	ii) Exposure to third party securitisations	-
	- First loss	-
	- Others	-
	b) On-balance sheet exposures	6.49
	i) Exposure to own securitisations	6.49
	- First loss	6.49
	- Others	-
	ii) Exposure to third party securitisations	-
	- First loss	-
	- Others	-

* As per books of accounts of the company
** Unfunded first loss guarantee provided

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Annexure III:

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

For year ended 31 March 2023 for OTR 2.0

(Amount in Rs. crores)

	A	B	C	D	E
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year i.e. 31 March 2022 (A) ^	Of (A), aggregate debt that slipped into NPA during the year ended 31 March 2023	Of (A) amount written off during the year ended 31 March 2023	Of (A) amount paid by the borrowers during the year ended 31 March 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year i.e 31 March 2023
Personal Loans	3.62	0.15	0.64	1.75	1.08
Corporate persons*					
Of which MSMEs					
Others					
Total	**3.62**	**0.15**	**0.64**	**1.75**	**1.08**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.
^ Includes cases where restructuring request was received on or before September 30, 2021 and was implemented subsequently

For the year ended 31 March 2023 for OTR 1.0

(Amount in Rs. crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year i.e. 31 March 2022 (A)	Of (A), aggregate debt that slipped into NPA during the year ended 31 March 2023	Of (A), amount written off during the year ended 31 March 2023	Of (A), amount paid by the borrowers during the year ended 31 March 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year i.e 31 March 2023
Personal Loans	0.06	-	0.00	0.05	0.01
Corporate persons*					
Of which MSMEs					
Others					
Total	**0.06**	**-**	**0.00**	**0.05**	**0.01**

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

B) Details of resolution plan implemented as per RBI circular on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances dated 6 August 2020 as at 31 March 2023 are given below:

(Amount in Rs. crores)

	A	B
Type of Borrower	No. of accounts restructured and outstanding as on 31 March 2023	Amount outstanding as on 31 March 2023
MSMEs	111	6.80

C) Details of resolution plan implemented as per RBI circular on Resolution Framework 2.0 – Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs) dated 5 May 2021 as at 31 March 2023 are given below:

(Amount in Rs. crores)

	A	B
Type of Borrower	No. of accounts restructured and outstanding as on 31 March 2023	Amount outstanding as on 31 March 2023
MSMEs	44	4.97

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Notes to financial statements for the year ended March 31, 2023

Annexure IV:
Disclosure pursuant to RBI Notification - RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021'

(a) Details of loans transferred through assignment in respect of loans not in default during the financial year ended March 31, 2023

(Amount in Rs. crores)

Particulars	Details
Amount of loans transferred through assignment	128.94
Retention of beneficial economic interest	20% and 10%
Weighted average residual maturity (in months)	15.20
Weighted average holding period (in months)	4.58
Coverage of tangible security coverage	NA
Rating-wise distribution of rated loans	Unrated

The Company has not done any transfer through assignment in the previous year ended March 31, 2022.

(b) The company has not acquired through assignment in respect of loans not in default during the financial year ended March 31, 2023.

(c) Details of stressed loans transferred during the financial year ended March 31, 2023.

(Amount in Rs. crores)

Particulars	To ARCs	To permitted transferees
No: of accounts	-	5,823
Aggregate principal outstanding of loans transferred (₹ in crore)	-	17.04
Weighted average residual tenor of the loans transferred (In Months)	-	5.17
Net book value of loans transferred (at the time of transfer) (₹ in crore)	-	-
Aggregate consideration (₹ in crore)	-	1.28
Additional consideration realized in respect of accounts transferred in earlier years	-	-

The above transferred accounts are all written off loans.

Details of stressed loans transferred during the financial year ended March 31, 2022

(Amount in Rs. crores)

Particulars	To ARCs	To permitted transferees
No: of accounts	-	12,179
Aggregate principal outstanding of loans transferred (₹ in crore)	-	41.88
Weighted average residual tenor of the loans transferred (In Months)	-	8.65
Net book value of loans transferred (at the time of transfer) (₹ in crore)	-	-
Aggregate consideration (₹ in crore)	-	3.10
Additional consideration realized in respect of accounts transferred in earlier years	-	-

The above transferred accounts are all written off loans.

(d) The Company has not acquired any stressed loan during the financial year ended March 31, 2023

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Notes to financial statements for the year ended March 31, 2023

Schedule to the Balance Sheet of a of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Amount in Rupees

	Particulars		
	LIABILITIES SIDE:		
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
	a. Debentures (other than falling within the meaning of public deposits)		
	- Secured	2,43,42,00,000	-
	- Unsecured	72,14,40,000	-
	b. Deferred Credits		-
	c. Term Loans and Overdraft	3,49,65,40,000	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial Paper	47,94,10,000	-
	f. Other Loans	-	-
	* Please see Note 1 below		
	Break up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount Outstanding**	**Amount Overdue**
	a. Dividend income from mutual fund	-	-
	b. In the form of unsecured debentures	-	-
	c. In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	d. Other public deposits	-	-

ASSET SIDE:

2	**Break-up of Loans and Advances including bills receivables [other than those included in(4) below]:**	**Amount Outstanding**
	a. Secured	-
	b. Unsecured	7,93,24,00,000

3	**Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities**	**Amount Outstanding**
	i. Lease Assets including lease rentals under sundry debtors:	
	a. Finance Lease	-
	b. Operating Lease	-
	ii. Stocks 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 repossessed	-
	b. Loans other than (a) above	-

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Notes to financial statements for the year ended March 31, 2023

Amount in Rupees

4 Break up of Investments:	Amount Outstanding
Current Investments	
1. Quoted	
i. Shares: a. Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares: a. Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
Long Term Investments	
1. Quoted	
i. Shares - Equity	-
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares - Equity	3,93,07,50,000
- Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-

5 Borrower group-wise classification of assets financed as in (2) and (3) above :
Please see Note 2 below

Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties**			
a. Subsidiaries	-	42,97,50,000	42,97,50,000
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2 Other than related parties	-	7,50,26,50,000	7,50,26,50,000
Total	-	**7,93,24,00,000**	**7,93,24,00,000**

** As per Accounting Standard of ICAI

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):
Please see note 3 below

Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
a. Subsidiaries	3,93,07,50,000	3,93,07,50,000
b. Companies in the same group	-	-
c. Other related parties	-	-
2 Other than related parties	-	-
Total		

** As per Accounting Standard of ICAI

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7 Other information	
Particulars	**Amount**
i. Gross Non-Performing Assets	
a. Related Parties	-
b. Other than related parties	20,74,20,000
ii. Net Non-Performing Assets	
a. Related Parties	-
b. Other than related parties	5,75,69,466
iii. Assets acquired in satisfaction of debt	-

Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category (4) above.

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INDEPENDENT AUDITOR'S REPORT

To the Members of CAPFLOAT FINANCIAL SERVICES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CapFloat Financial Services Private 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 and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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.

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Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(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 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.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) 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, based on our audit we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, together with the relevant Rules made thereunder.

   e) On the basis of the written representations received from the directors as on March 31, 2023 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) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   g) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act are not applicable to the Company for the year ended March 31, 2023.

   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 litigation on its financial position as at March 31, 2023 - Refer Note 39 of the financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

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 BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023
ICAI UDIN: 23116976BGXTXH8903

BATLIBOI & PUROHIT
Mumbai
CHARTERED ACCOUNTANTS

Annexure - A to the Independent Auditors' Report
(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **CapFloat Financial Services Private Limited** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, 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 Company does not have ownership of any immovable property.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated, or were pending, during the year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the Company had existing sanctioned working capital limits in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets. The quarterly statements filed by the Company with such banks were in agreement with unaudited books of account of the Company as at the respective quarters ended June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023.

(iii) The Company has made investments in its subsidiary company and granted loans to the said subsidiary and other parties, during the year, in respect of which:

(a) The Company's principal business is to give loans therefore reporting under Clause 3(iii)(a) of the Order is not applicable.

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(b) In our opinion and according to the information and explanations given to us, the terms and conditions of the investments made and loans granted during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of the loans/advances in the nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a Non-Banking Financial Company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported since it is not practicable to furnish such details owing to the voluminous nature of the data generated in the normal course of Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Ind AS and the guidelines issued by the RBI for Income Recognition and Asset Classification (which has been disclosed by the Company in Annexure I to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans/advances in nature of loans, loans having gross carrying amount of Rs. 2074 lakhs were classified in Stage 3 (credit impaired) as at March 31, 2023, of which, the gross carrying amount overdue for more than 90 days was Rs. 1,640 lakhs (in respect of 49,068 borrowers). In such instances, in our opinion, based on information and explanation provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.

(e) The Company's principal business is to give loans therefore 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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In Respect of Statutory Dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, value added tax and cess have generally been regularly deposited by the Company with the appropriate authorities though there has been a slight delay in a few cases.

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According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, value added tax and cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there are no dues of sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than the following:

Name of the statute	Nature of the dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	39.48	A.Y. 2014-15	Commissioner of Income Tax (Appeals)	The Company has paid an amount of Rs. 6.97 lakhs under protest for the matter under dispute.

(viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) (a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks or financial institutions and dues to debenture holders or in the payment of interest thereon to any lender during the year other than the following instances of delays:

(Rs Lakhs)

Nature of borrowing	Name of Lender	Amount not Paid on due date	Principal / Interest*	Delay in number of days	Remarks
Term Loans	Vivriti Capital Private Limited	84.95	Principal: 83.33 Interest: 1.62	1	2 instances due to technical reasons
Term loan	IndusInd Bank Limited	19.21	Interest: 19.21	4	1 instance due to administrative reason

**Interest amount is net of tax deducted at source where applicable.*

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

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(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, though funds which were not required for immediate utilization were parked in bank balances and short-term investments.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary companies as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary company as defined under the Act.

(x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given to us, frauds aggregating Rs. 177.59 lakhs have been identified by the Company relating to submission of compromised personal identification document of third parties and also through submission of fraudulent information on the application platform online. The amount has been fully provided for in the books of account, net of recoveries, if any.

(b) According to the information and explanations given to us, in our opinion and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a 'Nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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Mumbai
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(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued upto the date of this Report, for the period under audit.

(xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order is not applicable.

(xvi) (a) According to the information and explanations given to us, the Company is registered, as required, under section 45-IA of the Reserve Bank of India Act, 1934.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial activities during the year without a valid certificate of registration (CoR) from the RBI. Further as represented by the Management, the Company has not engaged in Housing Finance Activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Companies (CICs).

(xvii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has incurred cash losses of Rs. 7,062 lakhs in the current financial year and cash losses of Rs. 2,842 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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.

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(xx) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place: Mumbai
Date: June 26, 2023
ICAI UDIN: 23116976BGXTXH8903

*BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS
Mumbai

Annexure - B to the Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

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

Opinion

We have audited the Internal Financial Controls with reference to financial statements of **CapFloat Financial Services Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31 2023, based on the criteria for internal control with reference to financial statements 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 criteria for Internal Control with reference to financial statements established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to financial statements 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both issued by 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 with reference to the financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of

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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.

Meaning of Internal Financial Controls with reference to financial statements

A company's Internal Financial Control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: June 26, 2023
ICAI UDIN: 23116976BGXTXH8903

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