B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Annapurna Financial Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Annapurna Financial Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Impairment of loans to customers

Refer to the accounting policies in "Note 3.12 (A) (III) to the standalone financial statements: Impairment of financial assets".
"Note 2.5 to the standalone financial statements: Material Accounting Policies - use of estimates and judgments", "Note 8 to the standalone financial statements: Loans" and "Note 9 to the standalone financial statements: Investments".

The key audit matter	How the matter was addressed in our audit
Charge:Rs. 32,796 lakh for the year ended 31 March 2024 Provision: Rs. 42,536 lakh as at 31 March 2024	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient audit evidence:

Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:

a) Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data used to create assumptions in the model.

b) Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.

c) Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant judgement is applied in determining the economic scenarios used and the probability weights applied to them.

d) Qualitative adjustments / management overlays - Adjustments to the model-driven ECL results as overlays are recorded by the Company to address risks not captured by models for specific exposures.

The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements. we have considered this as a key audit matter.

Testing of design and operating effectiveness of controls:

Performing end to end process walkthroughs to identify the key systems, applications and controls used in computation of ECL. Testing the relevant manual control, general IT and application controls over information used in the computation of ECL.

Key aspects of our controls testing involved the following:

a) Tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

b) Tested the 'Governance Framework' controls over evaluation, implementation and model monitoring in line with the guidelines issued by Reserve Bank of India.

c) Tested the design and operating effectiveness of the key controls over the application of the staging criteria.

d) Tested key controls relating to selection and implementation of key macro-economic variables and the controls over the scenario selection and application of probability weights.

e) Tested key controls operating over the information used in the computation of ECL including system access, change management, program development and computer operations.

f) Tested the Company's controls over authorisation and calculation of post model adjustments and management overlays.

Test of details:

Key aspects of our testing included:

a) Sample testing over key inputs, data and assumptions impacting ECL computations to assess the completeness, accuracy and relevance of data, economic forecasts, weights, and model assumptions applied.

b) Tested model computations through re-performance on a sample basis, where applicable.

	c) Test of details of post model adjustments, considering the size and complexity of overlays recorded by the Company, in order to assess the adjustments by challenging key assumptions, methodology and tracing a sample of the data used back to source data. **Involvement of specialists** We had involved financial risk modelling specialists for the following: a) Evaluated the Company's Ind AS 109 impairment methodologies and assumptions used. b) Evaluated the relevance of inputs used in the model for computation of ECL.

Information Technology	
The key audit matter	How the matter was addressed in our audit
Information Technology ("IT") systems and controls The Company's key financial accounting and reporting processes are dependent on the automated controls in the information systems. There exists a risk in the IT control environment which could result in the financial accounting and reporting records being misstated.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient audit evidence for scoped in application: a) Evaluated the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system computation, and the consistency of data transmission. b) Evaluated and tested sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. c) Tested the design and operating effectiveness of a sample of key controls over user access management. Access management includes granting access rights, new user creation, removal of user rights and preventative controls designed to

	enforce segregation of duties. d) Tested change management control for information technology application / General IT controls which were changed during the year. e) Tested key automated controls operating over the information technology systems in relation to financial accounting and reporting systems. f) Tested the audit trail (edit log) facility for accounting software used for maintaining its books of account and its operating effectiveness. g) Assessed other areas including password policies, system configurations, controls over changes to applications, privileged access to applications and operating system or databases is restricted to authorized personnel. h) Placed reliance on System and Organisation Controls Report of service organisation, where applicable. i) Performed alternate procedures by testing compensatory controls for areas where IT systems and controls were not relied upon.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

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

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

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Company from 1 April 2024 to 29 April 2024 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31 March 2024 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".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 to the standalone financial statements.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40(m)(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any

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guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40(m)(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Membership No.: 109928

ICAI UDIN:24109928BKDBEB2895

Place: Bhubaneswar

Date: 21 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Annapurna Financial Private Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except for sufficient description of the property, plant and equipment (PPE) purchased prior to 1 April 2023 to make identification possible of the PPE. As represented to us by the management, the Company is in the process of updating its Property, Plant and Equipment register to reflect these details.

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily in the business of providing loans. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank on the basis of security of current assets. As per the sanction terms, the Company is not required to file quarterly returns or statements with the bank.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and granted unsecured loans to the companies, firms, limited liability partnership or any other parties in respect of which the requisite information is as below.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii) (a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.Further, the Company, has not provided any gurantee or security or advances in the nature of loans to companies, firms, limited liability partnership, or other parties during the year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Annapurna Financial Private Limited for the year ended 31 March 2024 *(Continued)*

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company as at 31 March 2024, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following:

Count of Loans	Amount (in lakh)	Due Dates	Extent of Delay (in days)
29,998	6,862	Various due dates	1 to 29
22,074	4,941	Various due dates	30 to 59
21,006	4,703	Various due dates	60 to 89
165,074	31,572	Various due dates	90 and above

For the following case, where there is no stipulation of schedule of repayment of principal, we are unable to comment on the regularity of repayment of principal;

Name of the entity	Amount as at 31 March 2024 (in lakh)	Remarks
Annapurna Employee Welfare Trust	180.42	There is no stipulation of schedule of repayment of principal

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given except an amount of Rs. 19,463 lakhs (principal amount) and Rs. 5,497 lakhs (interest) overdue for more than ninety days as at 31 March 2024. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business activities is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion 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 except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 (the "Act").

	All Parties (in lakh)	Promoters (in lakh)	Related Parties (in lakh)
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or	-	-	-

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Annapurna Financial Private Limited for the year ended 31 March 2024 *(Continued)*

	All Parties (in lakh)	Promoters (in lakh)	Related Parties (in lakh)
period of Repayment (B)	180.42	-	180.42
Total (A+B)	180.42	-	180.42
Percentage of loans to the total loans	0.02%	-	0.02%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Act. In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Professional Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Professional Tax or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax and Service Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,666	Assessment Year 2017-2018	Commissioner of Income Tax (Appeals)
CGST and Central	Service	86	Assessment	Customs, Excise

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Annapurna Financial Private Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in lakh)	Period to which the amount relates	Forum where dispute is pending
Excise, Bhubaneswar	Tax		Year 2014-2015	and Service Tax Appellate Tribunal, East Zonal Bench, Kolkata

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by management, term loans were applied for the purpose for which the loans were obtained, other than Rs. 54,700 lakhs which remain unutilised as at 31 March 2024.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no short-term funds have been raised by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone 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 subsidiaries 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 subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Annapurna Financial Private Limited for the year ended 31 March 2024 *(Continued)*

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, 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 till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanation provided to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Annapurna Financial Private Limited for the year ended 31 March 2024 *(Continued)*

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer M...

Sameer Mota

Partner

Membership No.: 109928

ICAI UDIN:24109928BKDBEB2895

Place: Bhubaneswar

Date: 21 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Annapurna Financial Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Annapurna Financial Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 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 internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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Annexure B to the Independent Auditor's Report on the standalone financial statements of Annapurna Financial Private Limited for the year ended 31 March 2024 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls 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 controls with reference to financial statements include 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 controls 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sameer Mota

Sameer Mota
Partner
Membership No.: 109928
ICAI UDIN:24109928BKDBEB2895

Place: Bhubaneswar
Date: 21 May 2024

Annapurna Finance Private Limited
Standalone Balance Sheet as at March 31, 2024

(In Rs. Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	4	25,936	75,679
(b) Bank balance other than (a) above	5	48,197	84,034
(c) Derivative financial instruments	6	1,620	2,187
(d) Receivables			
(i)Trade receivables	7	2	-
(ii)Other receivables		-	-
(e) Loans	8	7,44,952	6,32,625
(f) Investments	9	19,998	10,049
(g) Other financial assets	9.1	50,428	39,800
Subtotal - financial assets (A)		**8,91,133**	**8,44,374**
(2) Non-financial assets			
(a) Current tax assets (net)	10.1	4,704	4,007
(b) Deferred tax assets (net)	10.2	-	2,828
(c) Property, plant and equipment	11	2,853	2,386
(d) Other intangible assets	13	492	422
(e) Other non-financial assets	9.2	2,414	3,768
Subtotal - non- financial assets (B)		**10,463**	**13,411**
Total assets (A+B)		**9,01,596**	**8,57,785**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Derivative financial instruments	6	202	-
(b) Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	14	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,601	1,836
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	15	87,787	1,53,008
(d) Borrowings (other than debt securities)	16	5,60,417	5,19,132
(e) Subordinated liabilities	17	46,264	32,714
(f) Other financial liabilities	17.3	34,385	28,217
Subtotal - financial liabilities (A)		**7,30,656**	**7,34,907**
(2) Non-financial liabilities			
(a) Provisions	18	1,112	1,323
(b) Deferred tax liabilities (net)	10.1	3,370	-
(c) Other non-financial liabilities	17.4	507	724
Subtotal- non- financial liabilities (B)		**4,989**	**2,047**
Total liabilities (A+B)		**7,35,645**	**7,36,954**
(3) Equity			
(a) Equity share capital	19	10,154	8,813
(b) Instruments entirely equity in nature	20	300	300
(c) Other equity	21	1,55,497	1,11,718
Subtotal - Equity (C)		**1,65,951**	**1,20,831**
Total liabilities and equity (A+B+C)		**9,01,596**	**8,57,785**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sameer Mota
Partner
Membership No.: 109928

Bhubaneswar
May 21, 2024

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited
CIN: U65999OR1986PTC015931

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Bhubaneswar
May 21, 2024

Annapurna Finance Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2024

(In Rs. Lakhs)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue from operations			
	(i) Interest income	22	1,64,779	1,20,896
	(ii) Fees and commission income	23.1	4	24
	(iii) Net gain on fair value changes	23.2	1,503	1,111
	(iv) Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	23.3	39,673	33,747
(I)	**Total revenue from operations**		**2,05,959**	**1,55,778**
(II)	Other income	24	1,467	1,179
(III)	**Total income (I + II)**		**2,07,426**	**1,56,957**
	Expenses			
	Finance costs	25	80,220	66,531
	Impairment on financial instruments	26	32,796	36,184
	Employee benefits expenses	27	49,611	39,062
	Depreciation, amortisation and impairment	28	1,623	1,244
	Other expenses	29	12,073	9,518
(IV)	**Total expenses**		**1,76,323**	**1,52,539**
(V)	**Profit before tax (III-IV)**		31,103	4,418
(VI)	**Tax expense:**			
	Current tax		169	-
	Deferred tax	10.3	7,692	1,146
	Tax expense for earlier year		-	-
(VII)	**Profit for the year (V-VI)**		**23,242**	**3,272**
(VIII)	**Other comprehensive income (OCI)**			
	A Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit liabilities	33.3	110	60
	Income tax relating to items that will not be reclassified to profit or loss	10.3	(28)	(15)
	Subtotal (A)		82	45
	B Items that will be reclassified to profit or loss			
	Fair value of loans and advances		(5,444)	2,768
	Cash flow hedges		(601)	496
	Fair value of invesments		(4)	-
	Income tax relating to items that will be reclassified to profit or loss	10.3	1,523	(821)
	Subtotal (B)		(4,526)	2,443
	Other comprehensive income (A+B)		(4,444)	2,488
(IX)	**Total comprehensive income for the year (VII)+(VIII)**		18,798	5,760
(X)	**Earnings per equity share (face value of Rs 10 each)**			
	Basic (Rs)	30	24.63	3.93
	Diluted (Rs)		20.64	3.34

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sameer Mota

Sameer Mota
Partner
Membership No.: 109928

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited
CIN: U65999OR1986PTC015931

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrata Pradhan

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Bhubaneswar
May 21, 2024

Bhubaneswar
May 21, 2024

Annapurna Finance Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2024

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	**31,103**	**4,418**
Adjustments for:		
Depreciation, amortisation and impairment	1,623	1,244
Impairment on financial instruments	32,796	36,184
Profit on sale of current investments	(1,503)	(1,111)
Profit on sale of property, plant and equipment	(3)	-
Net gain on derecognition of financial instruments measured at FVOCI	(39,673)	(33,747)
Share based payments to employees	32	10
Interest income	(1,58,492)	(1,14,382)
Finance cost	80,153	66,475
Operating loss before working capital changes	**(53,964)**	**(40,909)**
Movements in working capital:		
Decrease in other financial and non financial assets	30,529	10,670
Decrease in bank balance other than cash and cash equivalents	35,838	10,855
(Decrease)/Increase in trade receivables	(2)	5
Increase in loans	(1,52,908)	(1,81,975)
Increase in other financial and non financial liabilities	6,206	17,245
(Decrease)/Increase in provisions	(211)	137
(Decrease)/Increase in trade payables	(235)	438
Cash used in operations	**(1,34,747)**	**(1,83,534)**
Interest received	1,56,410	1,15,793
Finance cost paid	(81,928)	(67,301)
Income tax paid (net of refunds)	(702)	(1,756)
Net cash flows used in operating activities (A)	**(60,967)**	**(1,36,798)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,543)	(1,282)
Proceeds from sale of property, plant and equipment	41	-
Purchase of other intangible assets	(409)	(424)
Purchase of current investments	(3,92,635)	(3,80,300)
Proceeds from sale of current investments	3,83,307	3,81,411
Net cash flows used in investing activities (B)	**(11,239)**	**(595)**
Cash flows from financing activities		
Proceeds from issuance of equity share capital (including securities premium)	115	11,648
Proceeds from debt securities	14,108	33,563
Repayment of debt securities	(52,815)	(42,567)
Repayment of interest portion lease liabilities	(67)	(56)
Repayment of principal portion of lease liabilities	(188)	(138)
Proceeds from borrowings (other than debt securities)	4,29,087	4,09,781
Repayment of borrowings (other than debt securities)	(3,82,377)	(2,93,707)
Proceeds from subordinated liabilities	22,000	2,000
Repayment of subordinated liabilities	(7,400)	(2,500)
Share issue expenses	-	(86)
Net cash flows generated from financing activities (C)	**22,463**	**1,17,938**
Net decrease in cash and cash equivalents (A+B+C)	**(49,743)**	**(19,455)**
Cash and cash equivalents at the beginning of the year	75,679	95,134
Cash and cash equivalents at the end of the year (Refer note 4)	**25,936**	**75,679**
Components of cash and cash equivalents at the end of the year		
Balances with banks:		
on current accounts	24,234	48,355
deposit with original maturity of less than three months	1,120	27,102
Cash on hand	582	222
Total cash and cash equivalents at the end of the year	**25,936**	**75,679**

Note:
The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
Refer note 38 for cash flow related disclosure as per Ind AS 7.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sameer Mota
Partner
Membership No.: 109928

Bhubaneswar
May 21, 2024

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited
CIN: U65999OR1986PTC015931

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Managing Director
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Director
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Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Bhubaneswar
May 21, 2024

Annapurna Finance Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2024

a. Equity share capital

Current reporting period
Refer Note 19

(In Rs. Lakhs)

Balance at the beginning of April 01, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of April 01, 2023	Changes in equity share capital during April 01, 2023 to March 31, 2024	Balance at the end of March 31, 2024
8,813	-	-	1,341	10,154

Previous reporting period

(In Rs. Lakhs)

Balance at the beginning of April 01, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of April 01, 2022	Changes in equity share capital during April 01, 2022 to March 31, 2023	Balance at the end of March 31, 2023
6,880	-	-	1,933	8,813

b. Instruments entirely equity in nature

Current reporting period
Refer Note 20

(In Rs. Lakhs)

Balance at the beginning of April 01, 2023	Changes in compulsorily convertible preference shares due to prior period errors	Restated balance at the beginning of April 01, 2023	Changes in compulsorily convertible preference shares during April 01, 2023 to March 31, 2024	Balance at the end of March 31, 2024
300	-	-	-	300

Previous reporting period

Balance at the beginning of April 01, 2022	Changes in compulsorily convertible preference shares due to prior period errors	Restated balance at the beginning of April 01, 2022	Changes in compulsorily convertible preference shares during April 01, 2022 to March 31, 2023	Balance at the end of March 31, 2023
300	-	-	-	300

b. Other equity
Refer Note 21

(In Rs. Lakhs)

Particulars	Reserves and Surplus				Other items of comprehensive income	Total
	Statutory reserve (as required by Sec 45-IC of Reserve Bank of India Act, 1934)	Securities premium	Shares options outstanding account	Retained earnings	(fair valuation on portfolio and cashflow hedges)	
Balance as at April 1, 2022	4,548	39,919	1,298	17,620	8,824	72,209
Profit for the year	-	-	-	3,272	-	3,272
Other comprehensive income	-	-	-	45	2,443	2,488
Total comprehensive income for the year	-	-	-	3,317	2,443	5,760
Transfer to/from retained earnings	654	-	-	(654)	-	-
Issue of shares		33,822				33,822
Share Issue / debenture issues expenses	-	(86)	-	-	-	(86)
Amortization of vesting expenses of Employee stock option plan ('ESOP')		-	10			10
ESOP exercised		19	(16)			3
Balance as at March 31, 2023	5,202	73,674	1,292	20,283	11,267	1,11,718
Profit for the year	-	-	-	23,242	-	23,242
Other comprehensive income	-	-	-	82	(4,526)	(4,444)
Total comprehensive income for the year	-	-	-	23,324	(4,526)	18,798
Transfer to/from retained earnings	4,648		-	(4,648)	-	-
Issue of shares		24,938				24,938
Share Issue / debenture issues expenses	-	-	-	-	-	-
Amortization of vesting expenses of Employee stock option plan ('ESOP')	-	-	32	-	-	32
ESOP excercised	-	59	(48)	-	-	11
Balance as at March 31, 2024	9,850	98,671	1,276	38,959	6,741	1,55,497

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sameer Mota
Partner
Membership No.: 109928

Bhubaneswar
May 21, 2024

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited
CIN: U65999OR1986PTC015931

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Bhubaneswar
May 21, 2024

Annapurna Finance Private Limited
Notes forming part of the Standalone financial statements for the year ended March 31, 2024

1 Corporate information

Annapurna Finance Private Limited (the 'Company') is a private Company incorporated in India under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit taking Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and is classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from October 22, 2013.

The Company's registered office is at Bhubaneshwar, Odisha, India. Its debentures are listed on recognised stock exchange in India.

The Company is primarily involved in providing micro finance services to women in rural areas of India, who are enrolled as members and organized as Self Help Groups ('SHG') and Joint Liability Group ('JLG')

2 Basis of preparation of the Standalone financial statements

2.1 Statement of compliance

The Standalone financial statements (the 'financial statements') of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and the other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These standalone financial statements are approved for issue by the Company's Board of Directors on May 21, 2024.

Details of the Company's accounting policies are included in Note 3.

2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except for the following items, which are measured on an alternative basis on each reporting date

Items basis	Measurement
Derivative financial instruments	Fair value
Investments in Treasury Bills	Fair value
Loans	Fair value
Equity securities at FVTPL	Fair value
Liabilities for share based payments arrangement	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

2.3 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. All amounts have been rounded off to nearest lakhs, unless otherwise indicated.

2.4 Presentation of financial statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The statement of cash flows has been presented using indirect method as per the requirements of Ind AS 7 statement of cash flows.

2.5 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities and disclosures of contingent liabilities at the date of the financial statements and reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised prospectively.

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 are included in following notes :

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes :

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilitites or expected cash flows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management; and

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent within the Company's continuing recognition of the assets.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during the a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

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ANNAPURNA FINANCE PVT. LTD. INDIA

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

Impairment of financial assets

The Company establishes criteria for determining whether credit risk of the financial assets has increased significantly since initial recognition, determines methodology for incorporating forward looking information into the measurement of expected credit loss ('ECL') and selection of models used to measure ECL.

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 carried out in establishing fair values. Judgments and estimates take into account liquidity and model inputs associated with such items as credit risk (own and counterparty), funding value adjustments, correlation and volatility.

(ii) Assumption and estimation uncertainties

Information about assumption and estimation uncertainties at the reporting date that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year is included in the following notes :

a) Note 3 (12)(A)(III) - Impairment allowances of financial assets based on the expected credit loss model.
b) Note 3(6)(i) and 3(6)(ii)- Useful lives of property, plant and equipment and intangible assets.
c) Note 3(9) and 33- Measurement of assets and obligations of defined benefit employee plans.
d) Note 3(3)(b) and 10 - Recoverability and recognition of deferred tax assets.
e) Note 3(10) - Measurement of provisions, contingent liabilities and contingent assets.
f) Note 2(6) and 39 - Fair value measurement of financial instruments.
g) Note 3(12)(A)(I)(a)- Effective interest rate ('EIR') methodology that represents the best estimate of a constant rate of return over the expected behavioural life of financial instruments.
h) Note 3(7)- Determination of lease term where the Company is a lessee.

2.6 Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes finance team that has overall responsibility for overseeing all significant fair value measurement, including Level 3 fair values, and reports directly to the chief financial officer.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

3 Material accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Foreign currency transactions

The financial statements are presented in Indian rupees, which is the functional currency of the Company.
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the statement of profit and loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.
Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective.

3.2 Revenue recognition

<u>A. Revenue from operations</u>

(a) Income on loans arising from financing activities

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Company calculates interest income by applying the EIR 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.

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

The EIR in case of a financial asset is computed as follows :
- the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- by considering all the contractual terms of the financial instrument in estimating the cash flows.

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- including all fees/ service charges and incentives paid and received between parties to the contract that are an integral part of the EIR , transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(b) Net gain on derecognition of financial instruments measured at FVOCI

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS is based on the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

(c) Fees and commission income

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on an assessment model as set out in Ind AS 115 'Revenue from contracts with customers. Revenue from contract with customer for rendering services is recognized at a point in time when performance obligation is satisfied.

Fees and commission income are measured at an amount that reflects the fair value of the consideration received or receivable, to which the Company expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

(d) Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to the grant and the grant will be received. The grants are recognised as income in the statement of profit and loss over the periods necessary to match them with the related costs that they are intended to compensate. The grants received, against any reimbursement of expenses are set off against such expenses in the year they occur with meeting the specific conditions or restrictions.

B. Other income

Other income are recognised when the Company satisfies the performance obligation over time and are accrued as and when they are due.

3.3 Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit and loss except when they relate to items that are recognised outside the statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside the statement of profit and loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Libilites and Contingent Assets,

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the current year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the assets and settle the liability on net basis or simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward losses and tax credits.
Temporary difference in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising the deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credit and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary difference, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax assets are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner which the Company expects, at the reporting date, to recover or settle the carrying amount of assets or liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

3.4 Cash and cash equivalents

Cash and cash equivalents, comprise cash on hand, cash at bank and deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.5 Earning per share

Basic earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for any bonus issue, bonus element in a rights issue to existing share holders, share split and reverse share split.

Diluted earnings per share
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

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3.6 Property, plant and equipment (PPE) and intangible assets
(i) Recognition and measurement

Property, plant and equipment
Property, plant and equipment are measured at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes purchase price, non-refundable taxes and levies and other directly attributable costs of bringing the assets to its location and working condition for its intended use.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

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

Intangible assets
An intangible asset is recognised only if its probably that future economic benefits attributable to the asset with flow to the Company and cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Transition to Ind AS
The cost property, plant and equipment and intangible assets as at 1 April 2019, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(ii) Depreciation and amortization
Depreciation
Depreciation on property, plant and equipment is measured using the written down value method at the rates arrived based on the useful lives of the assets, prescribed under Schedule II of the Act, which also represents the estimate of the useful life of the assets by management. The useful life estimated by management is as under:

Category of asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Computers	03

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in the year ended 31 March 2023.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in the statement of profit and loss. Management has determined its estimate of useful economic life as 1 to 3 years.
Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively.

3.7 Leases :

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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 to make lease payments and right-of-use assets representing the right to use the underlying assets.

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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.
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, ranging from 1 to 10 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.8 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of 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.

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.

Short term lease and leases of low value assets

The Company (lessee) chooses to apply recognition exemption option under Ind AS 116 for lease of branch office spaces fulfilling the required criteria. As per Ind AS 116, the lessee can elect not to apply Ind AS 116 recognition requirements to:

1) Short-term leases and
2) Leases for which underlying asset is of low value

In such cases the lessee shall recognise the lease payments associated with those leases as an expense in profit or loss on a straight-line basis over the lease term or another systematic basis that faithfully represents pattern of lessee's benefit.

Short term lease, as defined by the standard, is a lease that at the commencement date has a lease term of 12 months or less and does not include an option to purchase the underlying asset. Such determination is made at the commencement date and cannot be subsequently reduced to less than 12 months. Ind AS 116 does not explicitly define the leases of low value assets. However it must fulfil both the criteria : (i) benefit flows to the lessee from the use of underlying asset (ii) underlying asset is not highly dependant or interrelated with other assets.

3.8 Impairment of non financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

3.9 Employee benefits

(A) Short term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include salaries and performance incentives/ bonuses which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

(B) Post employment/retirement benefit Plans

(1) Defined contribution plans
A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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(2) Defined benefit plans

(a) Gratuity

For defined benefit schemes in the form of gratuity plan, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each year end. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The Company has an obligation towards gratuity, post employment/ retirement defined benefit plan covering eligible employees. The benefit is in the form of lump sum payments to eligible employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days' basic salary and dearness allowance payable for each completed year of service. Vesting occurs upon completion of five years of service. The liability determined based on actuarial valuation is compared with the fair value of plan assets and the shortfall or excess is accounted for as a liability or an asset respectively.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

(C) Other long term employee benefit plans

(1) Defined benefit plans

(a) Compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

b) Employee stock option plan

The employee stock option plan provides for the grant of options to acquire equity shares of the Company to its eligible employees are measured at fair value of the equity instruments at the grant date. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at the grant date of the equity settled share based payment options granted to the employees is recognized as an employee benefit expenses with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. At the end of each reporting period, the Company revives 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 reflect the revised estimate, with a corresponding adjustment to share based options outstanding account. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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3.10 Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Expected future operating losses are not provided for.
If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to the net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.
Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements.
Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.11 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performances.

The Company is solely engaged in providing loans to borrowers and accordingly there is only reportable business segment i.e. financing services for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.12 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 instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

(A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification and subsequent measurement

For the purposes of initial recognition, financial assets are classified in the following categories :-
a. at amortised cost, or
b. at fair value through other comprehensive income (FVOCI), or
c. at fair value through profit or loss (FVTPL)

The above classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flow.

(I) Debt instruments

Initial classification of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(a) At amortised cost:

A debt instrument is measured at amortised cost, if both the following conditions are satisfied/ fulfilled

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The foreign exchange gains and losses and impairment are recognised in the profit or loss. This category generally applies to loans arising from financing activities and investments.

(b) At FVTOCI:

A debt instrument is classified at FVTOCI, if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, foreign exchange gains and losses and impairment losses and reversals in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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(c) At FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as "accounting mismatch").

Debt instruments included within the FVTPL category are measured at fair value with all changes including any interest or dividend income are recognized in the statement of profit and loss.

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(II) Equity instruments/investments

Investments in equity instruments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

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

(III) Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model in accordance with Ind AS 109 for recognising impairment loss on financial assets except for
- equity instruments which are not subject to impairment under Ind AS 109, and
- other debt financial assets held at fair value through profit or loss (FVTPL)

Measuremet of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('lifetime ECL), unless there had been no significant increase in credit risk of a default occurring since origination or initial recognition, in which case, the impairment allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL (both life time and 12 months) are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company believes that the all loans disbursed (MFI, MSME bifurcated into secured and Unsecured loans) in a particular state have shared risk characteristics (i.e. homogeneous). Therefore, the state wise loan portfolio (segregated at MFI, MSME Secured and MSME Unsecured loans) are treated as separate groups for the purpose of Expected credit loss computation.

The impairment methodology applies depends on whether there has been significant increase in credit risk. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

The expected credit loss is a product of exposure at default ("EAD"), probability of default ("PD") and loss given default ("LGD"). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial assets. The Company categorises financial assets at the reporting date into stages based on the days past due ("DPD") status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Credit Impaired assets, i.e. more than 90 days past due or cases where the Company suspects fraud and legal proceedings are initiated.

Definition of default

The Company considers a financial asset to be in 'default' and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Stage 3 loans are upgraded as Stage 1 loans if the arrears of the entire interest and principal are paid by the borrower and no longer exhibit any evidence of being credit impaired.

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The set of cash flow from the date of default, discounted at the contractual interest rate and divided by the exposure at default gives the LGD estimate. The default weighed historic LGD are used to align the ECL calculation to the actual scenario and to improve the predictive power of the model.

PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD (forecasting for lifetime using 12 month observations) is required while Stage 3 assets are considered to have a 100% PD. PD estimation process is done based on historical internal data available with the Company.

EAD represents gross carrying amount at the reporting date adjusted for future estimated prepayments in case of stage 1 and future estimated sale of loans through direct assignments in case of stage 1 and stage 2. In case of stage 3 loans, EAD represents gross carrying amount at the time when the default occurred for first time.

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Forward looking information
MFI Macro economic value(MEV)- Primary net lending, Gross debt, Inflation, Population growth.
MSME MEV- GDP, Inflation, Manufacturing Value added, Government net lending

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 money supply, gross domestic product (GDP), private consumption, gross fixed investments (% real change p.a.), agriculture rate (% change p.a.), industry (% change p.a.), service (% change p.a.), budget balance (% of GDP), lending interest rate (%), deposit interest rate (%), inflation and unemployment rate with the estimate of PD determined by the Company based on its internal data. While the internal estimates of PD 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.
Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all the categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows 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 complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material.

The amount of ECL (or reversal) at the reporting date is recognised as an impairment loss/(gain) in the statement of profit and loss.

ECL on Debt instruments measured at amortised cost
ECLs for debt instruments measured at amortised cost is reduced from the gross carrying amount of these financial assets in the balance sheet.

ECL on Debt instruments measured at fair value through OCI
ECLs for debt instruments measured at FVOCI do not reduce the gross carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities 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 occured.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;

Write-off
The gross carrying amount of a financial assets is written- off (either partially or fully) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries against such financial assets are credited to the statement of profit and loss.

(IV) Derecognition of financial assets
The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability as collateralised borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI, and accumulated in equity is recognised in the statement of profit and loss.

(B) <u>Financial liabilities and equity instruments</u>

Classification as debt or equity
Debt and equity 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.

<u>(I) Financial liabilities</u>

Initial recognition and measurement
All financial liabilities are recognised initially at fair value. However, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of financial liabilities. The transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are immediately recognised in profit or loss.

The Company's financial liabilities majorly comprise of trade and other payables, loans and borrowings, including bank overdrafts and cash credit facility and derivative financial instruments.

Subsequent measurement
All financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method or at fair value through profit or loss (FVTPL).

(a) At FVTPL:
Financial liabilities includes derivative financial instruments entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

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(b) At amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the profit or loss.

Derecognition of financial liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The Company also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Modification/ renegotiation that do not result in derecognition

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the statement of profit and loss. Any subsequent changes in the estimation of the future cash flows of financial liability is recognised under finance cost in the statement of profit or loss with the corresponding adjustment to the carrying amount of the financial liability.

(II) Equity instrument

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities.
Incremental costs incurred which are directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

3.13 Derivatives and hedging activities

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including cross currency interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument (Refer sub note (a) below), in which event the timing of recognition in profit or loss depends on the nature of the hedging relationship and nature of the hedge item.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host and accordingly, are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

(a) Hedge accounting

The Company designates foreign currency forward derivative contracts as hedges of foreign exchange risk associated with the cash flows of foreign currency risks associated with the borrowings denominated in foreign currency (referred to as 'cash flow hedges').

The Company documents at the inception of the hedging transaction the economic relationship between the hedging instruments and hedge items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of the hedging relationship.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of derivatives is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity to effective portion (as described above) are reclassified to profit or loss in the periods when the hedge item affects profit or loss, in the same line as the recognised hedge item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

3.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) and are recognized using the effective interest rate (EIR).

All other borrowing costs are charged to expenses in the period in which they arise.

3.16 Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/ utilising the credits.

3.17 Offsetting financial instruments

Financial assets and financial liabilities are offset when it currently has a legally enforceable right (not contingent on future events) to off-set the recognised amounts and the Company intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.18 Standards issued but not yet effective

Recent pronouncements by Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes to the Standalone financial statements for the year ended March 31, 2024

Note 4: Cash and cash equivalents

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	582	222
Balances with banks	24,234	48,355
Fixed deposit with original maturity of less than 3 months	1,120	27,102
Total	**25,936**	**75,679**

Note 5: Bank balance other than cash and cash equivalents

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposit with original maturity of more than 3 months		
Fixed deposit with banks (security against bank guarantee)	22,809	44,473
Other term deposits	22,575	39,561
Interest accrued on fixed deposits*	2,813	-
Earmarked balances with banks	-	-
Unclaimed equity dividend	-	-
Total	**48,197**	**84,034**

(*) Includes interest accrued of Rs. 1,337 lakhs (March 31, 2023: Rs. 1,698 lakhs) on fixed deposits marked as lien towards term loans availed from banks, as cash collateral placed in connection with portfolio loans securitised.

Note 6: Derivative financial instruments

(In Rs. Lakhs)

	As at March 31, 2024				As at March 31, 2023			
Part I	Notional Amounts	Fair value- assets	Notional Amounts	Fair value- liabilities	Notional Amounts	Fair value- assets	Notional Amounts	Fair value- liabilities
(i) Currency derivatives:								
Cross currency swaps	25,051	585	8,240	(123)	20,444	846	-	-
(ii) Interest rate derivatives	-	-	-	-	-	-	-	-
(iii) Credit derivatives	-	-	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-	-	-
(v) Other								
Cross currency interest rate swaps	11,461	1,035	13,100	(79)	11,630	1,341		
Total Derivatives financial instruments	36,512	1,620	21,340	(202)	32,074	2,187	-	-
PART II								
Included in above are derivatives held for hedging and risk management as follows								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cashflow hedging								
Cross currency interest rate swaps	11,461	1,035	13,100	(79)	11,630	1,341	-	-
Cross currency swaps	25,051	585	8,240	(123)	20,444	846	-	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-	-	-
Total derivatives financial instruments	36,512	1,620	21,340	(202)	32,074	2,187	-	-

The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 42.1.5 for financial risk applicable on the instruments.

Note 7: Trade receivables

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables considered good- unsecured	2	-
Total	2	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

Ageing of trade receivables as at March 31, 2024

(In Rs. Lakhs)

Particulars	Outstanding for following periods from due dates of payments					Total
	<6 months	6 months- 1 year	1-2 years	2-3 years	>3 years	
(i) Undisputed trade receivables considered good	2	-	-	-	-	2
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

Ageing of trade receivables as at March 31, 2023

(In Rs. Lakhs)

Particulars	Outstanding for following periods from due dates of payments					Total
	<6 months	6 months- 1 year	1-2 years	2-3 years	>3 years	
(i) Undisputed trade receivables considered good	-	-	-	-	-	-
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

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Note 8: Loans
Considered good unless stated otherwise

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised cost	At fair value Through other comprehensive income	Total	Amortised cost	At fair value Through other comprehensive income	Total
i) Term loans						
Considered good	55,483	6,87,156	7,42,639	47,408	5,77,353	6,24,761
Credit impaired	3,069	18,841	21,910	14,967	10,874	25,841
Total term loans	58,552	7,05,997	7,64,549	62,375	5,88,227	6,50,602
ii) Others (staff loan and others)	475	-	475	420	-	420
Total (A) - Gross	**59,027**	**7,05,997**	**7,65,024**	**62,795**	**5,88,227**	**6,51,022**
Less: Impairment loss allowance	2,251	17,821	20,072	9,185	9,212	18,397
Total (A) - Net	**56,776**	**6,88,176**	**7,44,952**	**53,610**	**5,79,015**	**6,32,625**
Term loans						
i) Secured by tangible assets *	1,695	33,525	35,220	2,188	54,918	57,106
ii) Unsecured	56,857	6,72,472	7,29,329	60,187	5,33,309	5,93,496
Sub-total - Term loans	**58,552**	**7,05,997**	**7,64,549**	**62,375**	**5,88,227**	**6,50,602**
Staff loan						
i) Secured	-	-	-			-
-Unsecured	475	-	475	420	-	420
Sub-total - Staff loan	**475**	-	**475**	**420**	-	**420**
Total (B) - Gross	**59,027**	**7,05,997**	**7,65,024**	**62,795**	**5,88,227**	**6,51,022**
Less : Impairment loss allowance	2,251	17,821	20,072	9,185	9,212	18,397
Total (B) - Net	**56,776**	**6,88,176**	**7,44,952**	**53,610**	**5,79,015**	**6,32,625**
Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	59,027	7,05,997	7,65,024	62,795	5,88,227	6,51,022
Total - Gross	**59,027**	**7,05,997**	**7,65,024**	**62,795**	**5,88,227**	**6,51,022**
Less: Impairment loss allowance	2,251	17,821	20,072	9,185	9,212	18,397
Total - Net	**56,776**	**6,88,176**	**7,44,952**	**53,610**	**5,79,015**	**6,32,625**
Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-
Total (C)	**56,776**	**6,88,176**	**7,44,952**	**53,610**	**5,79,015**	**6,32,625**

Note:
* The Company covers/secures the credit risks associated with the loans given to customer by creating a charge/ hypothecation/ security on the assets as mentioned in the loan agreements with customers.

During the year, the Company has not granted loans or advances in the nature of loans to promoters, directors, key managerial personnel's and related parties (as defined under the Act), either severally or jointly with any other person, that are:

(i) repayable on demand or
(ii) without specifying any terms or period of repayment

Reconciliation of impairment allowance

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised cost	At fair value Through other comprehensive income	Total	Amortised cost	At fair value Through other comprehensive income	Total
Opening provision	3,325	15,072	18,397	7,997	36,464	44,461
Add: Impairment provision created during the year (Refer note 26)	12,709	16,734	29,443	13,333	19,103	32,436
Add/(less): Receivable by guarantee scheme/ CGTMSE disclosed under other financial	-	(1,787)	(1,787)	-	2,411	2,411
Less: Loan portfolio written off during the year	(13,783)	(12,197)	(25,980)	(18,005)	(42,906)	(60,911)
Closing provision	**2,251**	**17,821**	**20,072**	**3,325**	**15,072**	**18,397**

Note 8A

Gross carrying value of assets as at March 31, 2024 **(In Rs. Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
Term loans	7,33,257	9,382	21,910	7,64,549
Total	**7,33,257**	**9,382**	**21,910**	**7,64,549**

Gross carrying value of assets as at March 31, 2023 **(In Rs. Lakhs)**

Particulars	Stage 1	Stage 2	Stage 3	Total
Term loans	6,20,447	4,314	25,841	6,50,602
Total	**6,20,447**	**4,314**	**25,841**	**6,50,602**

Steps taken for recovering overdues balances
To reduce the exposure and increasing collection in the stage - III assets, a special team is deployed in the field to monitor and follow up with the Stage III (NPA) customers to maximise collection efforts, regular reminders are sent to customers via SMS/ Tele-calling and by visiting customer premises and creating awareness of the consequences of defaults.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans:

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at April 1, 2023	**6,20,447**	**4,314**	**25,841**	**6,50,602**
Add: New assets originated during the year	**5,52,348**			**5,52,348**
Less: Collections	(4,10,360)	(150)	(1,911)	**(4,12,421)**
Less: assets written off during the year	-	-	(25,980)	(25,980)
Movement between stages				
Transfer from stage 1	(29,480)	8,107	21,373	-
Transfer from stage 2	209	(2,888)	2,679	-
Transfer from stage 3	92	-	(92)	-
Gross carrying value of assets as at March 31, 2024	**7,33,256**	**9,383**	**21,910**	**7,64,549**

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Notes to the Standalone financial statements for the year ended March 31, 2024

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2023	**1,594**	599	**16,204**	**18,397**
Provision created / (reversed) during the year	1,756	997	24,903	27,656
Assets written off during the year	-	-	(25,980)	**(25,980)**
ECL allowance as at March 31, 2024	**3,350**	**1,596**	**15,126**	**20,072**

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at April 1, 2022	**4,75,701**	**11,753**	**53,277**	**5,40,731**
Add: New assets originated during the year (net of collections)	5,02,854	-	-	5,02,854
Less: Collections	(3,18,654)	(11,794)	(1,624)	
Less: assets written off during the year			(60,911)	(60,911)
Movement between stages				
Transfer from stage 1	(39,497)	6,501	32,996	-
Transfer from stage 2	36	(2,161)	2,125	-
Transfer from stage 3	8	13	(21)	-
Gross carrying value of assets as at March 31, 2023	**6,20,448**	**4,314**	**25,840**	**6,50,602**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2022	4,482	2,741	37,238	**44,461**
Provision created / (reversed) during the year	(2,888)	(2,142)	39,877	34,846
Assets written off during the year	-	-	(60,911)	(60,911)
ECL allowance as at March 31, 2023	**1,594**	**599**	**16,204**	**18,397**

Sensitivity analysis on ECL

Reasonably possible changes at the reporting date to the relevant macroeconomic assumptions, holding other assumptions constant, would have affected the defined ECL provisions by the amounts shown below:

(In Rs. Lakhs)

Scenario	Conditions	ECL provision as per model	+/- from normal case
Extreme scenario	100% probability of high stress	29,391	9,319
	0% probability of low stress		
	0% probability of normal situation		
Low stress scenario	0% probability of high stress*	16,533	(3,539)
	100% probability of low stress		
	0% probability of a normal situation		
1% Increase in PD		22,830	2,758
1% Increase in LGD		20,409	338

High-stress and low-stress scenarios are one standard deviation(+/- 1 SD) change in the macroeconomic parameters such as unemployment rate, consumer price index, Money Supply (Change per annum), and Industry growth(Change per annum).

Note 9: Investments

(In Rs. Lakhs)

	As at March 31, 2024				As at March 31, 2023			
Investment	**Amortised cost**	**Fair value through OCI**	**Fair value through P&L**	**Total**	**Amortised cost**	**Fair value through OCI**	**Fair value through P&L**	**Total**
Investment								
A) In India	-	-	-	-	-	-	-	-
(1) Equity instruments								
(a) Investment in subsidiary								
49,98,000 (March 31, 2023: 49,98,000) equity shares of Rs. 10 each fully paid in Annapurna SME Finance Private Limited		-	500	500		-	500	500
(2)Investment in Security receipts (SRs) *								
Phoenix Trust-18 FY 23	-	31,516	-	31,516	-	28,790	-	28,790
Less: Impairment loss allowance	-	22,464	-	22,464	-	19,241	-	19,241
	-	**9,052**	**500**	**9,552**	-	**9,549**	**500**	**10,049**
(3) Investments in Treasury bills		10,446		10,446		-		-
Total		**19,498**	**500**	**19,998**	**500**	**9,549**	**500**	**10,549**
Above amount includes								
Investment in India	-	19,498	500	19,998	500	9,549	500	10,549
Investment outside India	-	-	-	-	-	-	-	-
Total	-	**19,498**	**500**	**19,998**	**500**	**9,549**	**500**	**10,549**

* The Company has sold loans to an Asset Reconstruction Company (ARC) on March 28, 2023 and SRs were received as considerations for the transfer of loans. The sale of loans to ARC did not meet the derecognition requirement as per Ind AS 109. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement / classification approach and ECL has been recognized in a similar manner as applicable to the underlying loan.

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An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments:

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of investments as at April 01, 2023	25	30	**28,735**	**28,790**
Additions/Deletions	(16)	(14)	2,756	2,726
Movement between stages	(12)	(13)	25	-
Gross carrying value of investments as at March 31, 2024	(3)	3	**31,516**	**31,516**

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2023	-	6	**19,235**	**19,241**
Provision created / (reversed) during the year	-	-	3,223	**3,223**
ECL allowance as at March 31, 2024	-	6	**22,458**	**22,464**

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of investments as at March 29, 2023	25	30	28,735	28,790
Additions/Deletions	-	-	-	-
Movement between stages	-	-	-	-
Gross carrying value of investments as at March 31, 2023	25	30	28,735	28,790

(In Rs. Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 29, 2023	-	-	15,747	15,747
Provision created / (reversed) during the year	-	6	3,488	3,494
ECL allowance as at March 31, 2023	-	6	19,235	19,241

Sensitivity analysis on ECL

Reasonably possible changes at the reporting date to the relevant macroeconomic assumptions, holding other assumptions constant, would have affected the defined ECL provisions by the amounts shown below:

(In Rs. Lakhs)

Scenario	Conditions	ECL provision as per model	+/- from normal case
Extreme scenario	100% probability of high stress 0% probability of low stress 0% probability of normal situation	22,465	1
Low stress scenario	0% probability of high stress* 100% probability of low stress 0% probability of a normal situation	22,463	(0)
1% Increase in PD		22,464	0
1% Increase in LGD		22,738	274

**High-stress and low-stress scenarios are one standard deviation(+/- 1 SD) change in the macroeconomic parameters such as unemployment rate, consumer price index, Money Supply (Change pa), and Industry growth(Change pa).*

Note 9.1: Other financial assets

(at amortised cost)

(Unsecured, considered good unless stated otherwise)

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	626	438
Retained interest on assets assigned	43,528	28,640
Accrued interest on SR	-	1,800
Fixed deposit with financial institutions*	1,858	3,093
Insurance claim receivable	671	1,179
Receivable from financial guarantees$	2,267	4,054
Other financial assets- others**	1,478	596
Total	**50,428**	**39,800**

*deposit with non banking financial companies and financial institutions marked as lien towards term loans availed.

**includes advances recoverable in cash.

$The Company has availed the benefits of credit guarantee fund trust for micro and small enterprises (CGTMSE) scheme to secure credit default and Assam microfinance incentives and relief scheme 2021.

**The Company has extended loan amounting Rs.180 lakhs to its trust for acquisition of shares obtained by employees through exercise of ESOPs.

Note 9.2:Other non- financial assets

(at amortised cost)

(Unsecured, considered good unless stated otherwise)

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	1,480	2,632
Capital advance	295	199
Other Advances *	142	412
Goods and Service Tax receivable	497	525
Total	**2,414**	**3,768**

*includes advances to vendor

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Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2024

Note 10.1:
Current tax assets (net)

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax includes TDS (net of provision)	4,704	4,007

*Includes provision for income tax INR 178 lakhs as at 31 March 2024 (NIL as at 31 March 2023)

Note 10.2: Deferred tax assets/ liabilities (net)
Effects of deferred tax assets and deferred tax liabilities

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets:		
Impairment loss allowance on loan portfolio	6,473	4,798
Difference of written down value property, plant and	474	395
Provision for defined benefit obligation and leave	574	323
Difference of lease liabilities and right of use asset	7	1
Impact due to amortization of processing fees income	1,514	978
Provision for irrecoverable advances	-	4
Fair value loss on debt securities	4	42
Business loss c/f	-	8,260
Deferred tax liabilities:		
Upfront recognition of gain on direct assignment	(11,120)	(7,206)
Impact due to amortization of processing fees expenses	(729)	(863)
Fair value gain on loans	(2,382)	(3,904)
Fair Value gain on investment		
Deferred tax relating to origination and reversal of temporary differences (net of liabilities)	(5,185)	2,828

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 10.3: Income tax expense

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax expense in the statement of profit and loss consists of:		
Current income tax:		
Income tax	169	-
Deferred tax	7,692	1,146
Income tax expense reported in respect of current year	7,861	1,146
Tax in respect of earlier years	-	-
Total income tax expense reported in the statement of profit or loss	7,861	1,146
Income tax recognised in other comprehensive income		
Deferred tax arising on re-measurement gains/ (losses) on defined benefit plans	28	15
Deferred tax arising on fair value gain/ (losses) on loan portfolio	(1,523)	821
Total	(1,495)	836

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2024 and 31 March 2023 are, as follows:

(In Rs. Lakhs)

Particulars	As at March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	31,103	4,418
At India's statutory income tax rate of 25.17%	7,828	1,113
Income not subject to tax		
Others		
Non-deductible expenses		
Expenditure on CSR	32	30
Donation & Charity	-	3
Income tax expense reported in the statement of profit or	7,860	1,146
Income tax adjustment in respect of current income tax of prior years	-	-
Total income tax expense reported in the statement of profit or loss	7,860	1,146

The effective income tax rate for March 31, 2024 is 25.27% (March 31, 2023: 25.93%).

Movement in deferred tax balances for the year ended March 31, 2024

(In Rs. Lakhs)

Particulars	Net balance April 1, 2023	(Charge)/ Credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2024	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/ (liabilities)							
Difference of written down value of property, plant and equipment	395	80	-	-	474	474	-
Provision for defined benefit obligation and leave encashment	323	279	(28)	-	574	574	-
Impairment loss allowance on loan portfolio	4,798	1,675	-	-	6,473	6,473	-
Impact of amortisation of expense, offered to tax on upfront basis	(863)	134	-	-	(729)		(729)
Impact of amortisation of processing fee income, offered to tax on upfront basis	978	536	-	-	1,514	1,514	
Gain on direct assignment deals, accounted for upfront, offered to tax on accrual basis	(7,206)	(3,915)	-	-	(11,120)		(11,120)
Fair value gain on loans	(3,904)	(1)	1,523	-	(2,382)	-	(2,382)
Difference of lease liabilities and right of use asset	1	7	-		7	7	
Fair value loss on CCPS	42	(39)	-	-	4	4	
Provision for irrecoverable advances	4	(4)	-	-	-	-	-
Fair value gain on investment		-	-	-	-		-
Business loss c/f	8,260	(6,445)	-	-	1,815	1,815	-
Net deferred tax assets / (liabilities)	2,828	(7,692)	1,495	-	(3,370)	10,862	(14,232)

Movement in deferred tax balances for the year ended March 31, 2023

(In Rs. Lakhs)

Particulars	Net balance April 1, 2022	(Charge)/ Credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2023	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/ (liabilities)							
Difference of written down value of property, plant and equipment	352	43	-	-	395	395	-
Provision for defined benefit obligation and leave encashment	288	50	(15)	-	323	338	(15)
Impairment loss allowance on loan portfolio	10,697	(5,899)	-	-	4,798	4,798	-
Impact of amortisation of expense, offered to tax on upfront basis	(395)	(468)	-	-	(863)	-	(863)
Impact of amortisation of processing fee income, offered to tax on upfront basis	143	835	-	-	978	978	-
Gain on direct assignment deals, accounted for upfront, offered to tax on accrual basis	(3,238)	(3,968)	-	-	(7,206)		(7,206)
Fair value gain on loans	(3,083)		(821)	-	(3,904)	1	(3,905)
Difference of lease liabilities and right of use asset	(7)	8	-	-	1		1
Fair value loss on CCPS	49	(7)	-	-	42	42	
Provision for irrecoverable advances	4	-	-		4	4	-
Business loss c/f	-	-	-		8,260	8,260	
Net deferred tax assets / (liabilities)	4,810	(9,406)	(836)	-	2,828	14,816	(11,988)

Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2024

Note 11: Property, plant and equipment

(In Rs. Lakhs)

Particulars	Freehold land	Office equipment	Furniture and fixtures	Vehicles	Computers	Right of use assets under leases	Total
Cost:							
As at March 31, 2022	14	1,663	1,043	191	1,616	488	5,015
Additions	-	308	446	-	529	403	1,686
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	14	1,971	1,489	191	2,145	891	6,701
Additions	-	358	579	23	583	213	1,756
Disposals	-	(38)	-	-	-	-	(38)
As at March 31, 2024	14	2,291	2,068	214	2,728	1,104	8,418
Accumulated depreciation:							
As at March 31, 2022	-	1,085	591	105	1,274	174	3,229
Depreciation charge for the year	-	329	173	27	390	167	1,086
Disposal	-	-	-	-	-	-	-
As at March 31, 2023	-	1,414	764	132	1,664	341	4,315
Depreciation charge for the year		320	259	25	466	214	1,284
Disposal	-	(34)	-	-	-	-	(34)
As at March 31, 2024	-	1,700	1,023	157	2,130	555	5,565
Net book value:							
As at March 31, 2023	14	557	725	59	481	550	2,386
As at March 31, 2024	14	589	1,045	58	598	549	2,853

The details of property, plant and equipment hypothecated against borrowings are presented in Note 15. Further information about the title deed and valuation is included in Note 40.

Note 12: Leases (where the Company is lessee)

As a lessee:

The Company also has certain leases with lease terms of 12 months or less and leases with low-value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	550	314
Additions during the year	213	404
Depreciation expense	(214)	(168)
Closing balance	549	550

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	589	323
Additions during the year	213	404
Accretion of interest	67	56
Payments	(255)	(194)
Closing balance	614	589

The effective interest rate for lease liabilities is from 10.57% to 11.17% with maturity between 2024 and 2031.

The following are the amounts recognised in the statement of profit or loss:

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expense on lease liabilities (refer note 25)	67	56
Expense relating to short-term leases and other low value assets leases (included in other expenses)	2,448	1,984
Total amount recognised in the statement of profit and loss	2,516	2,040

The following is the maturity profile of lease liability:

	As at March 31, 2024			As at March 31, 2023		
	less than 1 year	1-5 years	More than 5 years	less than 1 year	1-5 years	More than 5 years
Lease liability	175	428	10	173	402	13
Total	175	428	10	173	402	13

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Note 13: Intangible assets

(In Rs. Lakhs)

Particulars	Computer software
Deemed cost:	
As at March 31, 2022	**1,155**
Additions	424
Disposals	-
As at March 31, 2023	**1,579**
Additions	408
Disposals	-
As at March 31, 2024	**1,987**
Accumulated amortisation:	
As at March 31, 2022	**999**
Amortisation charge for the year	158
Disposal	-
As at March 31, 2023	**1,157**
Amortisation charge for the year	339
Disposal	-
As at March 31, 2024	**1,495**
Net book value:	
As at March 31, 2023	**422**
As at March 31, 2024	**492**

Note 14:Trade payables

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,601	1,836
Total	**1,601**	**1,836**

Trade payables ageing schedule as at March 31, 2024

(In Rs. Lakhs)

Particulars	Outstanding for following periods from due dates of transaction						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(II) Others	-	-	1,601	-	-	-	1,601
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2023

(In Rs. Lakhs)

Particulars	Outstanding for following periods from due dates of transaction						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(II) Others	-	-	1,836		-	-	1,836
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-

Note 14.1: Dues to the micro enterprises and small enterprises:

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(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;	-	-
(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 has 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.	-	-
Total	-	-

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Note 15: Debt securities

(In Rs. Lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	At amortised cost	At fair value through profit & loss	Total	At amortised cost	At fair value through profit & loss	Total
Redeemable, Non- convertible Debentures (secured)*	52,497	-	52,497	90,434	-	90,434
Compulsorily Convertible Preference Shares #	-	-	-	-	26,275	26,275
Redeemable Non- convertible Debentures (unsecured)**	19,489	-	19,489	20,504	-	20,504
Compulsorily Convertible Debentures (Unsecured)##		15,801	15,801		15,795	15,795
Total	**71,986**	**15,801**	**87,787**	**1,10,938**	**42,070**	**1,53,008**
Debt securities in India	10,893	-	10,893	29,557	-	29,557
Debt securities outside India	61,093	15,801	76,894	81,381	42,070	1,23,451
Total	**71,986**	**15,801**	**87,787**	**1,10,938**	**42,070**	**1,53,008**

For NCD maturity refer note 17.1 (March, 2023 : 17.2).

*** Redeemable non- convertible debentures (secured) (at amortised cost)**

Terms of debentures	Number of debentures		Face value	Amount in Lakhs		Charge details
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
11.60% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of thirty three months from the date of allotment i.e. July 15, 2020.	-	1,000	10,00,000	-	10,000	125%
12.75% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of every six month from the date of allotment i.e. June 16, 2020.	-	1,000	1,66,667	-	1,667	100%
11.00% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 7500 each redeemable 99.99% at the end of 19 months and remaing at the end of Fourty two months from the date of allotment i.e. September 24, 2021.	-	66,654	7,500	-	4,999	100%
11.50% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of thirty six months from the date of allotment i.e. June 26, 2020.	-	150	10,00,000	-	1,500	100%
12.25% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 25 thousand eachredeemable 99.99% at the end of 36 months and remaing at the end of sixty months from the date of allotment i.e. July 07, 2020.	-	18,750	25,000	-	4,688	100%
11.75% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of thirty six months from the date of allotment i.e. July 24, 2020.	-	250	10,00,000	-	2,500	115%
11.50% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of every year from the date of allotment i.e. July 30, 2020.	-	250	3,33,333	-	833	110%
11.81 % Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par every six months from March 2021 with the date of allotment i.e. August 30, 2017.	-	325	1,66,667	-	542	110%
11.30% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of sixty months from the date of allotment i.e. August 31, 2020, subject to exercise of put option by the lender or call option by the Company at the end of thirty six months from the date of allotment. Redeemable on maturity if option not exercised.	-	1,000	10,00,000	-	10,000	100%
11.70% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of seventy two months from the date of allotment i.e. September 22, 2020, subject to exercise of put option by the lender or call option by the Company at the end of thirty six months from the date of allotment. Redeemable on maturity if option not exercised.	-	700	10,00,000	-	7,000	110%
12% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of 36 months from the date of allotment i.e. December 22, 2020.	-	275	3,33,333	-	917	110%
9.68% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of every six month from the date of allotment i.e. July 12, 2019.	695	695	1,00,000	695	2,085	110%
9.82% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable partly at the end of forty eight months from the date of allotment i.e.Mar 30, 2021.	600	600	7,50,000	4,500	5,280	110%
10.85% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of 36 months from the date of allotment i.e. July 29, 2022.	220	220	10,00,000	2,200	2,200	100%
11.50% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 0.75 lakhs each redeemable at par at the end of twenty four months from the date of allotment i.e. Sept 25, 2023.	5,000	-	75,000	3,750	-	110%
BSE Sensex Rate Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of 37 months 4 days from the date of allotment i.e. September 27, 2022.	350	350	10,00,000	3,500	3,500	110%
12.50% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 0.001 lakh each redeemable at par at the end of 84 months from the date of allotment i.e. December 19, 2018.	15,00,000	15,00,000	100	1,500	1,500	110%
11.20% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of Sixty months from the date of allotment i.e. July 09, 2021.	400	400	10,00,000	4,000	4,000	105%
11.20% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of Sixty months from the date of allotment i.e. July 13, 2021.	370	370	10,00,000	3,700	3,700	105%
11.30% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 1lakh each redeemable 99.99% at the end of 36 months and remaingat the end of Sixty months from the date of allotment i.e. December 20, 2021.	6,330	6,330	1,00,000	6,330	6,330	100%
10.68% Seniorly Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of seventy two months from the date of allotment i.e. April 23, 2021.	75	75	10,00,000	750	750	100%

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10.95% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of Sixty months from the date of allotment i.e. October 19, 2022.	460	460	10,00,000	4,600	4,600	105%
10.90% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 0.01 lakhs each redeemable 99.99% at the end of 48 months and remaing at the end of Sixty months from the date of allotment i.e. November 4, 2022.	46,874	46,874	10,000	4,687	4,687	100%
11.35% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of Seventy two months from the date of allotment i.e. July 7, 2022 subject to exercise of put option by the lender or call option by the Company at the end of thirty six months from the date of allotment. Redeemable on maturity if option not exercised.	500	500	10,00,000	5,000	5,000	100%
12.00% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each redeemable 99.99% at the end of 36 months and remaing at the end of seventy two months from the date of allotment i.e. Nov 2, 2023.	5,382	-	1,00,000	5,382	-	100%
EIR adjustments				1,902	2,156	
Total				52,496	90,433	

Notes to Non convertible debentures (Secured)

(a) Non convertible debentures are secured against hypothecation of all the underlying receivables/book debts to the extent 1.0/1.05/1.10/1.15/1.25 times of the principal loan amount.

(b) The Secured Listed Non-Convertible Debentures of the Company are fully secured by way of a first ranking, exclusive and continuing charge on identified receivables created pursuant to the deed of hypothecation as identified by the Company where additional pari-passu charge has been created by way of mortgage of immovable property.

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** Redeemable non- convertible debentures (Unsecured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in Lakhs		Charge details
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
11.25% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 5 lakh each redeemable at par at the end of 12 months 1days from the date of allotment i.e. September 26, 2022	-	350	5,00,000	-	1,750	NA
12.20% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 7.5 lakh each redeemable at par at the end of 24 months from the date of allotment i.e. September 26, 2022	600	600	2,50,000	1,500	4,500	NA
11.45% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 million each redeemable at par at the end of seventy two months from the date of allotment i.e. March 20, 2019, subject to exercise of put option by the lender or call option by the Company at the end of thirty six months from the date of allotment. Redeemable on maturity if option not exercised.	700	700	10,00,000	7,000	7,000	NA
10% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each redeemable 99.99% at the end of 20 months and 4 days and remaing at the end of 44 months 4 days from the date of allotment i.e. November 4, 2022,	4,076	4,076	1,00,000	4,076	4,076	NA
11.90% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each redeemable 99.99% at the end of 19 months and remaing at the end of 48 months at the end of fourty eight months from the date of allotment i.e. Sept 13, 2023.	3,726	-	1,00,000	3,726	-	NA
11.50% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakh each redeemable at par at the end of Seventy two months from the date of allotment i.e. December 24, 2021,	300	300	10,00,000	3,000	3,000	NA
EIR adjustments				187	178	
Total				19,489	20,504	

Compulsorily Convertible Preference Shares ('CCPS') (FVTPL)

Terms	Number of CCPS		Face value	Amount in Lakhs		Charge details
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
0%, 8492469 Series A1 compulsorily convertible preference shares of face value of Rs. 10 each issued at a premium of Rs. 107.75 ("Subscription Preference Shares") with a dividend of 0.01% of the face value (refer note below for terms of conversion for CCPS)	-	84,92,469	10.00	-	10,000	0%
0%, 10808723 Series A1 compulsorily convertible preference shares of face value of Rs. 10 each issued at a premium of Rs. 107.75 ("Subscription Preference Shares") with a dividend of 0.01% of the face value (refer note below for terms of conversion for CCPS)	-	1,08,08,723	10.00	-	12,727	0%
0%, 2717622 Series A1 compulsorily convertible preference shares of face value of Rs. 10 each issued at a premium of Rs. 107.75 ("Subscription Preference Shares") with a dividend of 0.01% of the face value (refer note below for terms of conversion for CCPS)	-	27,17,622	10.00	-	3,200	0%
EIR adjustments					348	
Total				-	26,275	

Notes to Non convertible debentures

(a) No non-convertible debentures are guaranteed by directors and / or others.

(b) During the period presented, there were no defaults in the repayment of principal and interest.

Terms	Number of CCD		Face value	Amount in Lakhs		Charge details
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
15% Cumulative Compulsorily Convertible Debentures of face value of Rs. 10 each convertible at conversion rate the end of Eighty four months from the date of allotment i.e. November 23, 2021,	15,00,00,000	15,00,00,000	10.00	15,000	15,000	0%
EIR adjustments				801	795	
Total				15,801	15,795	

Note: terms of conversion for CCD

Mandatory conversion

All the CCDs shall mandatorily convert into equity shares on the earlier of the following dates:

(a) Where the Company is undertaking an Initial Public Offer ('IPO'), on the investor business day immediately preceding the date of filing of the red herring prospectus with SEBI in connection with such IPO; or

(b) the final maturity date.

Voluntary Conversion

Without prejudice to the mandatory conversion events, DEG and/or any holder shall have right, exercisable by issuing a notice in writing to the Company, to convert such number of CCDs as specified in such notice, into equity shares in the following manner and on the following dates:

(a) at any time with the consent of the Company, on such date as may be mutually agreed with the Company; or

(b) in the event that DEG and/or any holder transfer their CCDs in accordance with the provisions of the shareholder's agreement on the date immediately prior to the date of consummation of the transfer of the securities.

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Note 16:Borrowings other than debt securities (at amortised cost)

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans (secured)*		
Banks	3,92,663	3,41,260
Financials institutions	65,680	81,634
Non banking financial companies	40,227	58,663
External commercial borrowings**	45,641	26,557
Term loans (unsecured)		
External commercial borrowings**	15,758	6,180
Non Banking financial companies		
Borrowings from Securitisation arrangement (secured)		
Securitisation transactions	448	4,838
Total	**5,60,417**	**5,19,132**
Borrowings in India	5,01,473	4,89,018
Borrowings outside India	58,944	30,114
Total	**5,60,417**	**5,19,132**

*Term loans are secured against hypothecation of all the underlying receivables/ loan assets/ book debts to the extent 1.0/ 1.05/ 1.10/1.11/1.12/1.15 times of the principal loan amount and margin money deposits. These secured term loans are repayable in equated principal plus interest as well as in equated instalments carrying interest rate ranging from 5.15% to 12.75% (March 31, 2023: 6.38% - 12.50%).

**External commercial borrowings are secured against hypothecation of all the underlying receivables/loan assets/book debts to the extent 1.0/1.05/1.10 times of the principal loan amount. These secured term loans are repayable in bullet payments/semi annual payments carrying interest rate ranging from 9.80% to 12.35% (March 31, 2023: 10.00% - 12.78%).

During the periods presented, there were no defaults in the repayment of principal and interest.

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

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Borrowings under securitisation arrangements
Represents securities issued by the special purpose vehicles ('SPVs') to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 9.00% & 12.00%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities with a corresponding debit to loans and advances.

Utilisation of borrowings
Term loans were applied for the purpose for which the loans were obtained, other than INR 73,861 lakh which remain unutilized as at 31st March 2024 out of which term loan amounting to INR 40,986 lakhs were received towards the end of the year. The company has temporarily invested such unutilized balance in fixed deposit as at 31st March 2024.

Note 17:Subordinated liabilities (at amortised cost)

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Indian Rupee term loan		
Subordinate debt (unsecured)- debentures*	46,264	30,214
Subordinate debt (unsecured)- term loans	-	2,500
Total	**46,264**	**32,714**
Borrowings in India	27,312	13,897
Borrowings outside India	18,952	18,817
Total	**46,264**	**32,714**

For subordinated liabilities maturity refer note 17.1 (March, 2023 : 17.2).

*Subordinate debt NCDs are repayable in bullet payment carrying interest rate ranging from 12.25% to 14.59% p.a. (March 31, 2023: 12.29% to 14.50% p.a.)
No subordinated debts is guaranteed by directors and /or others.
During the period presented there were no defaults in the repayment of principal and interest.

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Subordinate debt (unsecured)- Debentures (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in Lakhs	
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
13.99% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 0.10 lakhs each redeemable at par at the end of seventy three months from the date of allotment i.e. March 24 2017	-	34,000	10,000	-	3,400
13.50% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs.10 lakhs each redeemable at par at the end of sixty six months from the date of allotment i.e. March 27 2018	-	150	10,00,000	-	1,500
12.21% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of sixty months from the date of allotment i.e. March 31 2020	340	340	10,00,000	3,400	3,400
12.87% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 0.001 lakhs each redeemable at par at the end of eighty four months from the date of allotment i.e. May 2 2019	30,00,000	30,00,000	100	3,000	3,000
14.50% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 0.10 lakhs each redeemable at par at the end of seventy three months from the date of allotment i.e. March 27, 2020	15,000	15,000	10,000	1,500	1,500
13% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable 99.99% at the end of 60 months and remaing at the end of eighty five months from the date of allotment i.e. March 24 2020	396	396	10,00,000	3,960	3,960
11.42% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of seventy two months from the date of allotment i.e. April 23, 2021	449	449	10,00,000	4,490	4,490
12.29% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 25 thousand each redeemable 99.99% at the end of 60 months and remaing at the end of eighty five months from the date of allotment i.e. Jan 18 2021	28,500	28,500	25,000	7,125	7,125
13.10% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each redeemable at par at the end of sixty five months from the date of allotment i.e. March 29, 2023	2,000	2,000	1,00,000	2,000	2,000
12.40% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakhs each redeemable at par at the end of sixty eight months from the date of allotment i.e. July 31, 2023	6,000		1,00,000	6,000	
12.40% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakhs each redeemable at par at the end of sixty eight months from the date of allotment i.e. August 8, 2023	6,000		1,00,000	6,000	
12.25% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakhs each redeemable at par at the end of sixty nine months from the date of allotment i.e. Dec 7, 2023	10,000		1,00,000	10,000	
EIR adjustments				(1,211)	(161)
Total				**46,264**	**30,214**

Sub debt (unsecured)- Term Loans (at amortised cost)

(In Rs. Lakhs)

Terms of term loan	Rate	As at March 31, 2024	As at March 31, 2023
13.5% Unsecured term loan, having tenure of 66 months, matured on September 01, 2023.	13.50%	-	2,500
Total		-	**2,500**

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Note 17.1 Terms of repayment of borrowings as on March 31, 2024

Original maturity of	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Due between 6 to 7 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly																
0-3 Yrs.	5.15%-12.03%	1,015	1,80,815	425	93,886	76	16,403	-	-	-	-	-	-	-	-	2,91,104
Above 3 Yrs.		17	2,743	24	3,818	24	3,818	4	594	-	-	-	-	-	-	10,974
																-
Monthly Total		1,032	1,83,558	449	97,704	100	20,222	4	594	-	-	-	-	-	-	3,02,077
Quarterly																
0-3 Yrs.	9.55%-12.20%	175	1,30,149	83	62,404	13	7,647	-	-	-	-	-	-	-	-	2,00,200
Above 3 Yrs.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly Total		175	1,30,149	83	62,404	13	7,647	-	-	-	-	-	-	-	-	2,00,200
Half Yearly																
0-3 Yrs.	9.68%-12.35%	10	17,386	-	-	-	-	-	-	-	-	-	-	-	-	17,386
Above 3 Yrs.		-	369	1	1,220	2	2,440	2	2,440	2	2,440	2	2,440	1	1,220	12,568
Half Yearly Total		10	17,756	1	1,220	2	2,440	2	2,440	2	2,440	2	2,440	1	1,220	29,955
Annually																
0-3 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annually Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-																
0-3 Yrs.	12.56%	6	4,465	-	-	-	-	-	-	-	-	-	-	-	-	4,465
Above 3 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bullet Total		6	4,465	-	-	-	-	-	-	-	-	-	-	-	-	4,465
Bullet																
0-3 Yrs.	9.8%-14.6%	4	18,437	5	19,300	10	27,957	-	-	-	-	-	-	-	-	65,694
Above 3 Yrs.	11.33%-14.52%	-	1,565	4	19,344	-	-	10	23,690	2	6,945	4	21,829	-	-	73,373
Bullet Total		4	20,002	9	38,644	10	27,957	10	23,690	2	6,945	4	21,829	-	-	1,39,067
Grand Total		1,227	3,55,930	542	1,99,972	125	58,265	16	26,723	4	9,385	6	24,268	1	1,220	6,75,764

A. Debentures
Non-convertible debentures issued by the Company are secured by way of first ranking exclusive hypothecation / charge on the owned portfolio of the Company to the extent of security cover ratio of 1:1, 1.05:1, 1.1:1, 1.25:1 in favour of the debenture holders.

B. Term loans
Term loans from banks and others are secured by way of hypothecation of the outstanding loan portfolio, in addition to the fixed deposits being held as collateral security.

C. External commercial borrowings
The Company holds derivative instrument i.e. interest rate swap to mitigate the risk of changes in exchange rates and foreign currency exposure. The tenure of ECBs and derivative instruments are same and hence are treated as perfectly hedged.

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Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2024

Note 17.2 Terms of repayment of borrowings as on March 31, 2023

(In Rs. Lakhs)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 and 2 Years		Due between 2 and 3 Years		Due between 3 and 4 Years		Due between 4 and 5 Years		Due between 5 and 6 Years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly														
0-3 years	5.15%-12.69%	1,148	1,68,403	498	72,044	45	13,966	-	-	-	-	-	-	2,54,413
Above 3 years		-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly total		**1,148**	**1,68,403**	**498**	**72,044**	**45**	**13,966**	-	-	-	-	-	-	**2,54,413**
Quarterly														
0-3 years	6.60%-12.25%	171	1,29,235	123	86,626	18	15,809	-	-	-	-	-	-	2,31,670
Above 3 years		-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly total		**171**	**1,29,235**	**123**	**86,626**	**18**	**15,809**	-	-	-	-	-	-	**2,31,670**
Half yearly														
0-3 years	9.68%-12.75%	16	15,624	16	21,271	-	-	-	-	-	-	-	-	36,895
Above 3 years		-	-	-	-	-	-	-	-	-	-	-	-	-
Half yearly total		**16**	**15,624**	**16**	**21,271**	-	-	-	-	-	-	-	-	**36,895**
Annually														
0-3 years	11.50%-12.00%	2	1,789	-	-	-	-	-	-	-	-	-	-	1,789
Annually total		**2**	**1,789**	-	-	-	-	-	-	-	-	-	-	**1,789**
Bullet														
0-3 years	11.00%-13.99%	8	33,821	3	6,964	6	20,494	-	-	-	-	-	-	61,279
Above 3 years	10.60%-14.50%	-	795	2	10,351	3	15,689	8	23,497	7	12,775	2	6,964	70,071
Bullet total		**8**	**34,616**	**5**	**17,315**	**9**	**36,183**	**8**	**23,497**	**7**	**12,775**	**2**	**6,964**	**1,31,350**
Grand total		**1,345**	**3,49,667**	**642**	**1,97,256**	**72**	**65,958**	**8**	**23,497**	**7**	**12,775**	**2**	**6,964**	**6,56,117**

A. Debentures
Non-convertible debentures issued by the Company are secured by way of first ranking exclusive hypothecation / charge on the owned portfolio of the Company to the extent of security cover ratio of 1:1, 1.05:1, 1.1:1, 1.25:1 in favour of the debenture holders.

B. Term loans
Term loans from banks and others are secured by way of hypothecation of the outstanding loan portfolio, in addition to the fixed deposits being held as collateral security.

C. External commercial borrowings
The Company holds derivative instrument i.e. interest rate swap to mitigate the risk of changes in exchange rates and foreign currency exposure. The tenure of ECBs and derivative instruments are same and hence are treated as perfectly hedged.

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Notes to the Standalone financial statements for the year ended March 31, 2024

Note 17.3:Other financial liabilities

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Insurance premium payable	804	1,085
Employee dues	2,918	1,659
Payable towards assignment transactions	29,516	23,856
Other financial liabilities - Other payable*	535	1,028
Lease liability for Right of use assets	612	589
Total	34,385	28,217

* consists of payable to vendors

Note 17.4:Other non-financial liabilities

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	507	724
Total	507	724

Note 18:Provisions

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits:		
Gratuity (refer note 33)	-	409
Leave encashment and availment- Compensated absences	1,112	914
Total	1,112	1,323

Note 19: Equity Share Capital

(Amount in Rs. Lakhs except no. of shares)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised	-	
11,39,00,000 (March 31, 2023: 11,39,00,000) equity shares of Rs.10/- each	11,390	11,390
2,51,00,000 (March 31, 2023: 2,51,00,000) preference shares of Rs.10/- each	2,510	2,510
	13,900	13,900
Issued and subscribed		
10,56,33,990 (March 31, 2023: 9,22,27,855) equity shares of Rs.10/- each (in Rs Lakhs)	10,563	9,223
	10,563	9,223
Fully paid up		
10,14,99,978 (March 31, 2023: 8,80,93,843) equity shares of Rs.10/- each (in Rs Lakhs)	10,150	8,809
	10,150	8,809
Partly paid up		
41,34,012 (March 31, 2023: 41,34,012) equity shares of Rs.0.09/- each (in Rs Lakhs)	4	4
Total Paid up	10,154	8,813

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

Particulars	In Nos.	Amount in Rs. Lakhs
As at March 31, 2022	7,28,95,160	6,880
Issued during the year	1,93,32,695	1,933
As at March 31, 2023	9,22,27,855	8,813
Issued during the period	1,34,06,135	1,341
As at March 31, 2024	10,56,33,990	10,154

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of holding in the class	No. of shares held	% of holding in the class
Equity shares of Rs.10 each fully paid				
Gobinda Chandra Pattanaik	80,00,546	7.57%	80,00,546	8.67%
Belgian Investment Company for Developing Countries NV - SA	95,27,723	9.02%	95,27,723	10.33%
Oikocredit Ecumenical Development Cooperative Society U.A.	91,91,233	8.70%	75,40,536	8.18%
Women's World Banking Capital Partners, LP	58,00,000	5.49%	58,00,000	6.29%
Bamboo Financial Inclusions Fund II	-	-	46,45,695	5.04%
Oman India Joint Investment Fund II	1,80,48,942	17.09%	1,80,48,942	19.57%
Asian Development Bank	1,16,88,702	11.07%	1,16,88,702	12.67%
ESF Holdings II	65,65,371	6.22%		
Nuveen Global Impact Fund India S.A.R.L	1,33,51,410	12.64%	1,33,51,410	14.48%
Societe De Promotion Et De Participation Pour La Cooperation Economique S.A.	59,70,985	5.65%	59,70,985	6.47%
Total	8,81,44,912		8,45,74,539	
Compulsory convertible preference shares of Rs. 10 each fully paid				
Pratap Chandra Dash on behalf of AIDS Awareness Trust of Orissa	30,00,000	100.00%	30,00,000	11.99%
Accion Gateway Fund LLC (Sr A1 CCPS)	-	-	84,92,469	33.94%
ESF Holdings II (Sr A1 CCPS)	-	-	1,08,08,723	43.20%
Oikocredit Ecumenical Development Cooperative Society U.A.(Sr A1 CCPS)	-	-	27,17,622	10.86%
Total	30,00,000		2,50,18,814	

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) of the Company, please refer Note 37.1 and 37.2.

Shareholding of promoters

Sr. No.	Promoter's name	As at March 31, 2024		As at March 31, 2023	
		No of shares	% of total shares	No of shares	% of total shares
1	Gobinda Chandra Pattanaik	80,00,546	7.57%	80,00,546	8.67%
2	Dibyajyoti Pattanaik	17,19,805	1.63%	17,19,805	1.86%

Information regarding issue of shares in the last five years
a. The Company has not issued any shares without payment being received in cash.
b. The Company has not issued any bonus shares.
c. The Company has not undertaken any buyback of shares.

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Note 20: Instruments entirely equity in nature

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Compulsorily convertible preference shares (30,00,000 preference shares (March 31, 2023: 30,00,000 preference shares) of Rs 10 each fully paid up)	300	300
Total	300	300

Compulsorily convertible preference shares (CCPS) will be convertible at par at the option of the holder of the instrument and the dividend is at the discretion of board of directors, on account of which the Company has this instruments as equity.

Note 21: Other equity

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory reserve (As required by Sec 45-IC of the Reserve Bank of India Act, 1934)	9,851	5,202
Securities premium	98,671	73,674
Share options outstanding account	1,276	1,292
Retained earnings	38,959	20,283
Other comprehensive income	6,741	11,267
Total	1,55,497	1,11,718

(In Rs. Lakhs)

Statutory reserve (As required by Sec 45-IC of the Reserve Bank of India Act, 1934)	Amount
Balance as at April 1, 2022	**4,548**
Transfer from retained earnings	654
Balance as at March 31, 2023	**5,202**
Transfer from retained earnings	4,648
Balance as at March 31, 2024	**9,851**

(In Rs. Lakhs)

Securities premium	Amount
Balance as at April 1, 2022	**39,919**
Share issue / debenture issues expenses	(86)
Issue of shares	33,822
ESOP exercised	19
Balance as at March 31, 2023	**73,674**
Share issue / debenture issues expenses	-
Issue of shares	24,938
ESOP exercised	59
Balance as at March 31, 2024	**98,671**

(In Rs. Lakhs)

Share options outstanding account	Amount
Balance as at April 1, 2022	**1,298**
Amortisation of vesting expenses of employee stock option plan	10
ESOP exercised	(16)
Balance as at March 31, 2023	**1,292**
Amortisation of vesting expenses of employee stock option plan	32
ESOP exercised	(48)
Balance as at March 31, 2024	**1,276**

(In Rs. Lakhs)

Retained Earnings	Amount
Balance as at April 1, 2022	**17,620**
Profit for the year	3,272
Other comprehensive income	45
Transfer to statutory reserve	(654)
Balance as at March 31, 2023	**20,283**
Profit for the year	23,242
Other comprehensive income	82
Transfer to statutory reserve	(4,648)
Balance as at March 31, 2024	**38,958**

(In Rs. Lakhs)

Other items of Comprehensive Income (Fair valuation on loans portfolio and hedging)	Amount
Balance as at April 1, 2022	**8,824**
Other comprehensive income	2,443
Balance as at March 31, 2023	**11,267**
Other comprehensive income	(4,526)
Balance as at March 31, 2024	**6,741**

21.1 **Statutory reserve (As required by Sec 45-IC of the Reserve Bank of India Act, 1934)**
Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 451C of the Reserve Bank of India Act,1934.

21.2 **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 such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

21.3 **Stock option outstanding**
The Company has established various equity settled share-based payment plans for certain categories of employees of the Company. See Note 35.1 and 35.2 for further details on these plans.

21.4 **Retained earnings**
Retained earnings represent the cumulative profit/(loss) of the Company and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013.

21.5 **Other comprehensive income**
The Company recognises changes in the fair value of loan portfolio held with business objective of collect and sell in other comprehensive income and fair value of derivative contracts designated as cashflow hedges. These changes are accumulated within the FVOCI reserve in equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loan is repaid. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

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Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2024

Note 22: Interest income

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total
Interest income on loans	1,51,282	7,159	1,58,441	1,09,153	5,170	1,14,323
Interest income on fixed deposits with Banks	-	6,058	6,058	-	6,424	6,424
Interest income on margin money deposits with NBFC/FI	-	110	110	-	90	90
Interest income on treasury bills	119	-	119			
Interest income on others	-	51	51	-	59	59
Total	1,51,401	13,378	1,64,779	1,09,153	11,743	1,20,896

Note 23.1: Fees and commission income

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loan portfolio servicing fees	4	24
Total	4	24

Note 23.2: Net gain on fair value changes*

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on financial instruments at fair value through profit or loss	1,503	1,111
Total	1,503	1,111
Total fair value changes:		
- Realised	1,503	1,111
- Unrealised		-
Total	1,503	1,111

*includes fair value changes for mutual fund.

Note 23.3:Net gain on derecognition of financial instruments designated at FVOCI

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	39,673	33,747
Total	39,673	33,747

* represents net gain accounted on derecognition of loans (assignment transactions) during the year designated at FVOCI

Note 24: Other income

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on derecognition of property, plant and equipment	3	-
Bad debt recovery	332	337
Miscellaneous income	1,132	842
Total	1,467	1,179

Note 25: Finance costs

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Interest expenses on financial liabilities classified at amortised cost	Interest expenses on financial liabilities classified at fair value through profit or loss	Total	Interest expenses on financial liabilities classified at amortised cost	Interest expenses on financial liabilities classified at fair value through profit or loss	Total
Interest on debt securities	12,814	-	12,814	14,084	2,164	16,248
Interest on borrowings other than debt securities	61,866	-	61,866	45,496	-	45,496
Interest on subordinated liabilities	5,211	-	5,211	4,252	-	4,252
Interest on lease liabilities	67	-	67	56	-	56
Other borrowing costs*	262	-	262	479	-	479
Total	80,220	-	80,220	64,367	2,164	66,531

* consists of credit rating fees, bank charges etc.

Note 26: Impairment of Financial instruments

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total
Impairment on loan portfolio (own portfolio)	12,709	16,734	29,443	19,103	13,333	32,436
Impairment on others	-	130	130	-	-	-
Impairment on insurance receivable	-	-	-	-	254	254
Impairment on investments in SRs	3,223	-	3,223	3,494	-	3,494
Total	15,932	16,864	32,796	22,597	13,587	36,184

Note 27: Employee benefit expenses

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	44,723	35,035
Contributions to provident fund and other funds	2,620	2,152
Gratuity expense (refer note 33)	546	479
Expenses on employee stock option plan (refer note 35.1 and 35.2)	32	10
Staff welfare expenses	1,690	1,386
Total	49,611	39,062

* The Company has claimed grants from National Apprenticeship Training Scheme (NATS) for Rs. 323.97 lakhs against stipend expenses on the trainees registered with NATS of India. These grants has been set off against the stipend of trainees.

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Note 28: Depreciation and amortisation expenses

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	1,284	1,086
Amortisation on intangible assets	339	158
Total	1,623	1,244

Note 29: Other expenses

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent, taxes and energy costs	3,529	2,720
Office maintenance	847	700
Office expenses	1,324	1,137
Director fees, allowance and expenses	31	23
Travelling and conveyance	483	605
Communication expenses	427	395
Printing and stationery	693	585
Legal and professional fees	1,727	1,024
Auditor's fees and expenses (refer note 29.1 below)	223	194
Insurance	75	76
Advertisement	24	15
Training and meeting expenses	589	623
Electricity charges	364	242
Corporate social responsibility expenses (refer note 29.2 below)	128	121
Bank Charges	1,238	817
Miscellaneous expense	371	241
Total	12,073	9,518

Note 29.1: Auditor's fees and expenses

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor:		
Audit fee (excluding taxes)	129	110
Limited review fee	71	65
Other services (certification fees etc.)	23	19
Total	223	194

Note 29.2: Corporate social responsibility

(In Rs. Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Amount required to be spent by the Company during the year	46	84
(b) Amount approved by the Board to be spent during the year	156	84
(c) Amount spent during the year		
(i)Construction/ acquisition of any assets	-	-
(ii)Corporate social responsibility expenses	128	121
(d) Details of related party transactions	-	-
(e) Shortfall at the end of the year	-	-
(f) Total of previous years shortfall	NA	NA
(g) Reason for shortfall	NA	NA

Note 29.3: Excess amount spent as per Section 135 (5) of the Companies Act, 2013

(In Rs. Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening Balance	-	-
Amount required to be spent during the year	46	84
Amount spent during the year	128	121
Closing balance - excess amount spent	82	37

Note 29.4: Details of ongoing projects for financial year 2023-24

(In Rs. Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening Balance	-	-
Amount required to be spent during the year	46	84
Amount spent during the year	128	121
Closing balance - excess amount spent	82	37

Nature of CSR expenses :
Promoting integrated development in all spheres of community life with special emphasis on weaker and vulnerable groups such as women, children, elderly people including skill development.

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Note 30: Earnings per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net profit after tax as per the statement of profit and loss (In Rs. Lakhs)	23,242	3,272
Weighted average number of ordinary shares for basic earnings per share (Nos.)	**9,43,57,105**	**8,31,81,015**
Stock options granted under ESOP (Nos.)	39,92,949	39,92,949
Compulsorily convertible preference shares (Nos.)	1,01,58,648	67,78,773
Partly paid shares (Nos.)	40,96,705	40,96,705
Weighted average number of ordinary shares for diluted earnings per share (Nos.)	**11,26,05,407**	**9,80,49,442**
Earnings per share		
Basic earnings per share (Rs.)	24.63	3.93
Diluted earnings per share (Rs.)	20.64	3.34
Nominal Value per share (Rs.)	10	10

Note 31: Segment information

The Company is solely engaged in providing loans to borrowers and accordingly there is only reportable business segment i.e. financing services for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

Note 32: Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

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 de-recognition, together with the associated liabilities:

(In Rs. Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Securitisations		
Carrying amount of transferred assets measured at FVOCI	448	4,838
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	448	4,838
Fair value of transferred assets	448	4,838
Fair value of associated liabilities	448	4,838
Net position at fair value	-	-

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Note 33 Defined benefit plan

33.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/assets and its components:

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	1,706	1,268
Current service cost	546	460
Interest cost	126	90
Past service cost	-	-
Benefits settled	(86)	(47)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	(240)	(73)
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	153	8
Obligation at the end of the year	2,203	1,706
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	1,297	784
Interest income on plan assets	126	71
Re-measurement- actuarial gain / (loss)	13	1
Return on plan assets recognised in other comprehensive income	-	-
Contributions	902	488
Benefits settled	(86)	(47)
Plan assets at the end of the year, at fair value	2,250	1,297
Net defined benefit (assets)/liabilities	(47)	409

33.2 Expense recognised in statement of profit or loss

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	546	460
Interest cost	126	90
Interest income	(126)	(71)
Net gratuity cost	546	479

33.3 Re-measurement recognised in other comprehensive income

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(240)	(73)
- Changes in financial assumptions	153	8
Re-measurement of the net defined benefit asset		
Return on plan assets (greater) / less than discount rate	13	1
Total Actuarial (gain)/ loss included in OCI	(75)	(64)

33.4 Plan assets

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by insurer (LIC, HDFC Life Insurance, Kotak life insurance and ICICI Prudential Life Insurance)	100%	100%
Life Insurance Corporation of India	6%	9%
KOTAK Life Insurance	8%	12%
ICICI Prudential Life insurance	27%	18%
HDFC Life	59%	61%

33.5 Defined benefit obligation - Actuarial assumptions

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.10%	7.40%
Future salary growth	7.00%	7.00%
Expected Rate of Return on Plan Assets	7.10%	7.40%
Attrition rate	Varying between 8% per annum to 1% per annum depending on duration and age of employees	Varying between 8% per annum to 1% per annum depending on duration and age of employees
Mortality rate	IALM (2012-14) Table Ultimate	IALM (2012-14) Table Ultimate
Retirement Age (in years)	58	58
Average Future Service (in years)	28.71	28.86

33.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(In Rs. Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,963	2,503	1,519	1,937
Future salary growth (1% movement)	2,486	1,972	1,935	1,515
Attrition rate (1% movement)	2,197	2,217	1,701	1,713
Mortality rate (10% movement)	2,204	2,202	1,705	1,704

33.7 Expected payment for future years

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	94	67
Between 2 and 5 years	20	25
Between 5 and 10 years	65	86
Total expected payments	179	178

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Note 34: Related party transactions

Name of the related parties (as per Ind AS 24) (Refer Note (a) below)

Relationship	Name of the party
(i) Key management personnel	Mr. Gobinda Chandra Pattanaik - Managing Director Mr. Dibyajyoti Pattanaik - Director Ms. Christina Stefanie Juhasz - Nominee Director Mr. Ranganathan Varadarajan Dilip Kumar - Nominee Director Mr. Sunit Vasant Joshi - Nominee Director Mr. Venkiteswaran Mecherimadam Ramakrishnan - Nominee Director Ms. Radhika Jayant Sharoff - Nominee Director Mr. Abhishek Agarwal - Nominee Director Mr. Ashok Ranjan Samal- Independent Director Mr. K.K. Tiwary- Independent Director Mr. Sean Leslie Nossel - Independent Director Mr. Arup Kumar - Nominee Director Mr. Guillaume Accarain -Nominee Director Mr. Pushkar Jauhari -Nominee Director (ceased on September 25, 2023) Mr. Ajay Bhaskar Limaye - Nominee Director (From September 25, 2023) Mr. Govinda Rajulu Chintala, Independent Director (from September 25, 2023)
(ii) Subsidiary Company	Annapurna SME Finance Private Limited (incorporated on December 18, 2020)
(iii) Trust	Annapurna Employees Welfare Trust (the 'Trust')

Related Party transactions during the year:

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Key management personnel		
Salary, incentives and perquisites (Refer Note (b) below)		
Mr. Gobinda Chandra Pattanaik	379	268
Mr. Dibyajyoti Pattanaik	168	125
	547	393
Sitting fees paid		
Mr. Ashok Ranjan Samal	14	10
Mr.K.K. Tiwary	8	6
Mr. Sean Leslie Nossel	5	7
Mr. Govinda Rajulu Chintala	4	-
	31	23
Long term benefits#	-	-
Post - employment benefit#	-	-
(ii) Other related party transactions		
Loan given to trust	584	27
Loan repayment received from trust	502	4
Proceeds received from issuance of equity share capital (including securities premium) to trust	62	20

Outstanding balances at the year end:	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Subsidiary Company		
Investment in Annapurna SME Finance Private Limited	500	500
(ii) The Trust		
Loan to the Trust	180	99
Equity shares of the Company held by the Trust	155	92

Does not include gratuity and compensated absences as these are provided on the Company as a whole.

Note:

a) Related parties have been identified on the basis of the declaration received by the Company and other records available.

b) The above remuneration to the key managerial personnel constitute the short term employee benefits and above does not include the provisions made towards post employment gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

c) All transactions with related parties are priced at arm's length and are in the ordinary course of business.

d) The remuneration of Mr. Gobinda Chandra Pattanaik and Mr. Dibyajyoti Pattanaik is determined by the Nomination and Remuneration Committee.

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Note 35.1 Employees stock option plan (ESOP)

The Company provides share-based payment schemes to its key management personnel. The plan in operation as on March 31, 2021 are ESOP Series- A and ESOP - Series -B.

Particulars	Series A	Series B (i)	Series B (ii)
Date of grant	June 29, 2012	March 19, 2014	March 19, 2014
Date of board approval	June 29, 2012	March 19, 2014	March 19, 2014
Date of shareholder's approval	June 29, 2012	March 19, 2014	March 19, 2014
Number of options expected to be exercised within the vesting period	8,16,214	4,16,119	20,83,304
Exercise price per share (Rs.)	2.5	5	5
Method of settlement	Equity	Equity	Equity
Vesting period	March 31, 2013	March 31, 2015	March 31, 2016
Exercise period	Immediate after vesting period subject to shareholders' approval	Immediate after vesting period subject to shareholders' approval	Immediate after vesting period subject to shareholders' approval
Vesting conditions	Performance milestones as set out in shareholder agreement dated June 29, 2012	Performance milestones as set out in shareholder agreement dated March 19, 2014	Performance milestones as set out in shareholder agreement dated March 19, 2014

The detail of the plans have been summarised below:

Series A

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of options	Exercise price (Rs.)	No. of options	Exercise price (Rs.)
Outstanding at the beginning of the year	8,16,214	-	8,16,214	-
Adjustment of opening:	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	8,16,214	-	8,16,214	-
Exercisable at the end of the year	8,16,214	-	8,16,214	-
Weighted average remaining contractual life in years	-	-	-	-

Series B

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of options	Exercise price (Rs.)	No. of options	Exercise price (Rs.)
Outstanding at the beginning of the year	24,99,423	5.00	24,99,423	5.00
Adjustment of opening:	-	-	-	-
Granted during the year	-	-		-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	24,99,423	5.00	24,99,423	5.00
Exercisable at the end of the year	24,99,423	5.00	24,99,423	5.00
Weighted Average Remaining Contractual Life in Years	-	-	-	-

Effect of share-based payment plans (ESOP) on the statement of profit and loss:

Particulars	As at March 31, 2024	As at March 31, 2023
Stock options outstanding (gross)	1,276	1,292
Deferred compensation cost outstanding	-	-
Stock options outstanding (net)	**1,276**	**1,292**

The Stock option outstanding contains of Rs 544 lakhs for ESOP (A & B) as on March 31, 2024 (March 31, 2023: Rs. 544 lakhs).

Note :
The issue of shares will be in accordance with the provisions of the Companies Act, 2013.

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Note 35.2 Employee stock option plan (ESOP)

On November 30, 2016 the board of directors approved the Annapurna stock option plan 2017 for issue of stock options to eligible employees of the Company. The relevant terms of the grant are as below:

Description	Grant - 2	Grant - 1
Date of grant	01 July 2018	01 July 2017
Date of board approval	30 November 2016	30 November 2016
Number of options granted	16,17,461	10,90,477
Method of settlement	Equity	Equity
Graded vesting	Vesting of the option will take place in equal proportion over a period of 3 years from the date of grant of options	

Exercise period
The vested options can be exercised within a period of 5 years as per the table below:

End of the year	Exercise period	Exercise period
1	Within 4 years of 1st Vesting	Within 5 years of 1st Vesting
2	Within 3 years of 2nd Vesting	Within 4 years of 2nd Vesting
3	Within 2 years of 3rd Vesting	Within 3 years of 3rd Vesting

Vesting conditions	Continuous service with the Company and has not served any notice of resignation	
Weighted average remaining contractual life (years)	3 years	3 years
Weighted average exercise price per option (Rs.)	49	41

The details of activity under the plan 2017 are summarized below:

Grant 1

Description	March 31, 2024 (No. of options)	March 31, 2023 (No. of options)
Outstanding at the beginning of the year	8,79,200	9,05,700
Granted during the year	-	-
Forfeited during the year	-	18,800
Exercised during the year	23,000	7,700
Outstanding at the end of the year	8,56,200	8,79,200
Exercisable at the end of the year	8,56,200	8,79,200
Weighted average remaining contractual life of options (years)	-	-
Weighted average share price during the exercise period (Rs.)	41	41

Grant 2

Description	March 31, 2024 (no. of options)	March 31, 2023 (no. of options)
Outstanding at the beginning of the year	3,90,000	4,09,900
Granted during the year	-	-
Forfeited during the year	-	17,200
Exercised during the year	8,800	2,700
Outstanding at the end of the year	3,81,200	3,90,000
Exercisable at the end of the year	3,81,200	3,90,000
Weighted average remaining contractual life of options (years)	-	-
Weighted average share price during the exercise period (Rs.)	49	49

The black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs -

Particulars	Grant 2	Grant 1
Share price on the date of grant (Rs.)	90.64	76.09
Exercise price (Rs.)	49.00	41.00
Dividend yield (%)	-	-
Expected volatility (%)	56.14-57.59%	43.88% - 46.22%
Risk-free interest rate (%)	7.23-7.32%	6.60% - 6.74%
Weighted average fair value of stock options (Rs.)	61.13	48.29
Weighted average share price (Rs.)	90.64	76.09

The expected volatility reflects the assumption that is indicative of future trends, which may also not necessarily be the actual outcome. The cost of employee stock option plan has been recognised at fair value.

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Note 36 **Asset liability management:**

Maturity pattern of assets and liabilities as on March 31, 2024:

(In Rs. Lakhs)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Liabilities											
Borrowings	6,012	6,605	16,495	31,997	34,721	96,739	1,65,981	2,59,088	51,280	25,551	**6,94,469**
Assets											
Advances (gross)	14,650	16,069	13,693	38,290	38,417	1,18,584	2,13,712	2,71,413	20,394	19,328	**7,64,549**
Investments	11,977	5,703	8,103	8,339	769	4,032	8,083	14,616	-	9,552	**71,174**

Maturity pattern of assets and liabilities as on March 31, 2023:

(In Rs. Lakhs)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Liabilities											
Borrowings	10,271	7,640	26,615	31,668	32,340	1,27,230	1,44,943	2,65,401	36,781	21,964	**7,04,853**
Assets											
Advances (gross)	17,007	9,312	9,843	31,044	30,169	90,958	1,73,091	2,55,660	14,657	18,860	**6,50,601**
Investment in fixed deposit	5,432	24,296	8,379	4,482	4,842	10,925	21,657	34,217	-	-	**1,14,230**

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Note 37: Maturity analysis of assets and liabilities

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

(In Rs. Lakhs)

Particulars	Within 12 months	After 12 months	Total
As at March 31, 2024			
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	25,936	-	**25,936**
(b) Bank balance other than (a) above	1,225	46,972	**48,197**
(c) Derivative financial instruments	1,620	-	**1,620**
(d) Receivables			
(i) Trade receivables	2	-	**2**
(ii) Other receivables			
(e) Loans	4,53,415	2,91,537	**7,44,952**
(f) Investments	10,446	9,552	**19,997**
(g) Other financial assets	28,322	22,106	**50,428**
Subtotal - Financial assets (A)	**5,20,966**	**3,70,167**	**8,91,133**
(2) Non-financial Assets			
(a) Current tax assets (net)	-	4,704	**4,704**
(b) Property, plant and equipment	1,495	1,358	**2,853**
(c) Intangible assets	311	181	**492**
(d) Other non-financial assets	2,309	105	**2,414**
Subtotal - Non- financial assets (B)	**4,115**	**6,348**	**10,463**
Total Assets (A+B)	**5,25,081**	**3,76,515**	**9,01,596**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Derivative financial instruments	202	-	**202**
(b) Payables			
(I) Trade Payables			
(i)Total outstanding dues of micro enterprises and small enterprises	1,601	-	**1,601**
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	**-**
(c) Debt securities	29,001	58,785	**87,787**
(d) Borrowings (other than debt securities)	3,27,850	2,32,567	**5,60,417**
(e) Subordinated liabilities	338	45,926	**46,264**
(f) Other financial liabilities	33,946	439	**34,385**
Subtotal - Financial liabilities (A)	**3,92,938**	**3,37,717**	**7,30,656**
(2) Non-financial liabilities			
(a) Provisions	528	584	**1,112**
(b) Other non-financial liabilities	507	-	**507**
(c) Deferred tax liabilities (net)	-	3,370	**3,370**
Subtotal - Non - financial liabilities (B)	**1,035**	**3,954**	**4,989**
(3) Equity			
(a) Equity share capital	-	10,154	**10,154**
(b) Instruments entirely equity in nature	-	300	**300**
(c) Other equity	-	1,55,497	**1,55,497**
Subtotal - Equity (C)	**-**	**1,65,951**	**1,65,951**
Total Liabilities and Equity (A+B+C)	**3,93,974**	**5,07,622**	**9,01,597**

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(In Rs. Lakhs)

Particulars	Within 12 months	After 12 months	Total
As at March 31, 2023			
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	75,679	-	**75,679**
(b) Bank balance other than (a) above	52,338	31,696	**84,034**
(c) Derivative financial instruments	2,187	-	**2,187**
(d) Receivables	-	-	**-**
(i) Trade receivables	-	-	**-**
(ii) Other receivables			
(e) Loans	3,61,678	2,70,947	**6,32,625**
(f) Investments	-	10,049	**10,049**
(g) Other financial assets	28,008	11,792	**39,800**
Subtotal - Financial assets (A)	**5,19,890**	**3,24,484**	**8,44,374**
(2) Non-financial Assets			
(a) Current tax assets (net)	-	4,007	**4,007**
(b) Deferred tax assets (net)	-	2,828	**2,828**
(c) Property, plant and equipment	937	1,449	**2,386**
(d) Intangible assets	264	158	**422**
(e) Other non-financial assets	2,817	951	**3,768**
Subtotal - Non- financial assets (B)	**4,018**	**9,393**	**13,411**
Total Assets (A+B)	**5,23,908**	**3,33,878**	**8,57,785**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Derivative financial instruments	-	-	-
(b) Payables			
(I) Trade Payables			
(i)Total outstanding dues of micro enterprises and small enterprises	-	-	
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	1,836	-	**1,836**
(c) Debt securities	64,202	88,806	**1,53,008**
(d) Borrowings (other than debt securities)	3,08,908	2,10,224	**5,19,132**
(e) Subordinated liabilities	7,599	25,115	**32,714**
(f) Other financial liabilities	27,801	416	**28,217**
Subtotal - Financial liabilities (A)	**4,10,346**	**3,24,561**	**7,34,907**
(2) Non-financial liabilities			
(a) Provisions	528	795	**1,323**
(b) Other non-financial liabilities	724	-	**724**
Subtotal - Non - financial liabilities (B)	**1,252**	**795**	**2,047**
(3) Equity			
(a) Equity share capital	-	8,813	**8,813**
(b) Instruments entirely equity in nature	-	300	**300**
(c) Other equity	-	1,11,718	**1,11,718**
Subtotal - Equity (C)	**-**	**1,20,831**	**1,20,831**
Total Liabilities and Equity (A+B+C)	**4,11,598**	**4,46,187**	**8,57,785**

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Note 38: Changes in liability arising from financing activities

(In Rs. Lakhs)

Particulars	As at April 1, 2023	Cash flows	Other*	As at March 31, 2024
Debt securities	1,53,007	(38,707)	(26,513)	87,787
Borrowings other than debt securities	5,19,133	46,262	(4,977)	5,60,418
Subordinated liabilities	32,714	14,600	(1,050)	46,264
Lease liabilities	588	(255)	280	613
Total liabilities from financing activities	**7,05,442**	**21,900**	**(32,260)**	**6,95,082**

(In Rs. Lakhs)

Particulars	As at April 1, 2022	Cash flows	Other*	As at March 31, 2023
Debt securities	1,85,483	(9,004)	(23,472)	1,53,007
Borrowings other than debt securities	4,02,413	1,16,074	646	5,19,133
Subordinated liabilities	33,150	(500)	64	32,714
Lease liabilities	323	(194)	459	588
Total liabilities from financing activities	**6,21,369**	**1,06,376**	**(22,303)**	**7,05,442**

*expenses amortised using EIR method

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Note 39: Financial instruments – fair values

39.1 Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
There have been no transfers between Level 1 and Level 2 during the year.

(In Rs. Lakhs)

As at March 31, 2024	Carrying amount			
	FVTPL	FVTOCI	Amortised cost	Total
(1) Financial assets				
(a) Cash and cash equivalents	-	-	25,936	25,936
(b) Bank balance other than (a) above	-	-	48,197	48,197
(c) Derivative financial instruments	-	1,620	-	1,620
(d) Receivables				
(i) Trade receivables	-	-	-	-
(ii) Other receivables	-	-	-	-
(e) Loans		6,88,176	56,776	7,44,952
(f) Investment		19,498	500	19,998
(g) Other financial assets	-	-	50,428	50,428
Total - financial assets	-	**7,09,294**	**1,81,836**	**8,91,130**
(2) Financial liabilities				
(a) Derivative financial instruments	-	202	-	202
(b) Payables				
(I) Trade payable				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,601	1,601
(II) Other payable				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(c) Debt securities	15,801	-	71,986	87,787
(d) Borrowings (other than debt securities)	-	-	5,60,417	5,60,417
(e) Subordinated liabilities	-	-	46,264	46,264
(f) Other financial liabilities	-	-	34,385	34,385
Total - financial liabilities	**15,801**	**202**	**7,14,653**	**7,30,656**

(In Rs. Lakhs)

As at March 31, 2023	Carrying amount			
	FVTPL	FVTOCI	Amortised cost	Total
(1) Financial assets				
(a) Cash and cash equivalents		-	75,679	75,679
(b) Bank balance other than (a) above	-	-	84,034	84,034
(c) Derivative financial instruments	-	2,187	-	2,187
(d) Receivables				
(i) Trade receivables	-	-	-	-
(ii) Other receivables	-	-	-	-
(e) Loans		5,79,015	53,610	6,32,625
(f) Investment		9,549	500	10,049
(g) Other financial assets	-	-	39,800	39,800
Total - financial assets	-	**5,90,751**	**2,53,624**	**8,44,375**
(2) Financial liabilities				
(a) Derivative financial instruments	-	-	-	-
(b) Payables				-
(I) Trade payable				-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,836	1,836
(II) Other payable				-
(i) Total outstanding dues of micro enterprises and small ente	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(c) Debt securities	42,070	-	1,10,938	1,53,008
(d) Borrowings (other than debt securities)	-	-	5,19,132	5,19,132
(e) Subordinated liabilities	-	-	32,714	32,714
(f) Other financial liabilities	-	-	28,217	28,217
Total - financial liabilities	**42,070**	-	**6,92,837**	**7,34,907**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets / liabilities, payables are considered to be the same as their face values, due to their short-term nature.

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39.2 **Measurement of fair values:**

As at March 31, 2024

(In Rs. Lakhs)

Financial assets (measured at fair value)	Carrying amount		Fair value		
	FVTPL	FVOCI	Level 1	Level 2	Level 3
Loans	-	6,88,176	-	6,88,176	-
Investments	500	19,498	-	10,446	9,552
Derivative financial instruments	-	1,620	-	1,620	-
Total	500	7,09,294	-	7,00,242	9,552

As at March 31, 2023

(In Rs. Lakhs)

Financial assets (measured at fair value)	Carrying amount		Fair value		
	FVTPL	FVOCI	Level 1	Level 2	Level 3
Loans	-	5,79,015	-	5,79,015	-
Investments		9,549	-	-	9,549
Derivative financial instruments	-	2,187	-	2,187	-
Total	-	5,90,751	-	5,81,202	9,549

As at March 31, 2024

(In Rs. Lakhs)

Financial liabilities (measured at fair value)	Carrying amount		Fair value		
	FVTPL	FVOCI	Level 1	Level 2	Level 3
Derivative financial instruments	-	202	-	202	-
Debt securities	15,801	-	-	15,801	-
Total	15,801	202	-	16,003	-

As at March 31, 2023

(In Rs. Lakhs)

Financial liabilities (measured at fair value)	Carrying amount		Fair value		
	FVTPL	FVOCI	Level 1	Level 2	Level 3
Derivative financial instruments	-	-	-	-	-
Debt securities	42,070	-	-	42,070	-
Total	42,070	-	-	42,070	-

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month.

Valuation techniques and significant unobservable inputs:
The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value (Level 2 and level 3)

Type	Valuation technique	Significant unobservable inputs
Loans	The scheduled future cashflows(including principal and interest) are discounted using the average the 3 months lending rate.	Not Applicable
Investment in security receipts	Net Asset value of the underlying investment declared by the trust	Net Asset value
Derivative financial instruments	For derivative financial instruments, the Company has assessed the fair value under Monte Carlo model which involves input parameters like discount rate, volatility, expected tenure, risk free rates, coupon payment date, time steps and iterations.	Not Applicable

Reconciliation of level 3 fair values:
The following table shows the reconciliations from the openeing balances to the closing balances for level 3 values

(In Rs. Lakhs)

Balance as at 1 April, 2022	**500**
Net changes in fair value(Unrealised)	-
Investment in security receipts	28,790
less: impairment loss allowance	19,241
Balance as at March 31, 2023	**10,049**
Net changes in fair value(Unrealised)	2,726
less: impairment loss allowance	3,223
Balance as at March 31, 2024	**9,552**

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Note 40 Additional disclosures given in terms of Notification dated March 24, 2021 issued by Ministry of Corporate affairs.

40 (a)	Title deed of immovable properties. The title deed of properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
40 (b)	As at March 31, 2024 and as at March 31, 2023, the Company does not have any loans and advances outstanding to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms of repayment.
40 (c)	The Company has not revalued its property, plant and equipment's (including right-of-use assets) during the current or previous year.
40 (d)	The Company has not revalued its intangible assets during the current or previous year.
40 (e)	Capital work in progress and intangible assets under development amounts to Nil as at March 31, 2024 and March 31, 2023.
40 (f)	During the year, the Company has not granted loans or advances in the nature of loans to promoters, directors, key managerial personnel's and related parties (as defined under the Act), either severally or jointly with any other person, that are: (i) repayable on demand or (ii) without specifying any terms or period of repayment
40 (g)	The Company does not have any Benami property, where any proceeding has been initiated or pending against the company.
40 (h)	The Company has not been sanctioned any working capital limits in excess of Five crores rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, no quarterly returns filed by the Company with the banks or financial institutions.
40 (i)	The Company has not been declared as Wilful Defaulter by any bank or financial institution or any lender.
40 (j)	During FY2024 and FY2023, the Company did not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
40 (k)	There is no charge which is yet to be created with ROC. Where any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof shall be disclosed. The Company shall provide the details in relation to each charge or satisfaction that are not registered by the statutory date. Such details may include a brief description of the charges or satisfaction, the location of the Registrar, the period (in days or months) by which such charge had to be registered and the reason for delay in registration.
40 (l)	The Company has complied with the number of layers for investments made as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
40 (m)	(i) The Company has not advanced or loaned or invested (either from borrowed fund or share premium or any other sources or other kinds of funds) to or in any other person or entities, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries'); or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries. (ii) The Company has not received any funds (which are material either individually or in aggregate) from any person or entity, including foreign entity ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
40 (n)	The Company has not traded or invested in crypto currencies during the financial year.
40 (o)	During the year, the Company has not entered into scheme of arrangements.
40 (p)	The Company does not have transactions 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 Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
40 (q)	The Company has debt securities from financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with financial institutions are in agreement with the books of accounts.

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Note 40.1: Ratios

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reasons
(a) Debt Equity Ratio	Total Debts	Shareholder's fund	4.18	5.83	(28%)	Due to conversion of CCPS into equity, shareholder's fund increased which reduced debt equity ratio.
(b) Debt service coverage ratio	-	-	NA	NA		-
(c) Interest service coverage ratio	-	-	NA	NA		-
(d) Outstanding redeemable preference shares (quantity and value)	-	-	-	-		-
(e) Debenture redemption reserve/ capital redemption reserve	-	-	NA	NA		-
(f) Net worth (Rs in Lakhs) (Total equity)	-	-	1,65,951	1,20,831	37.34%	The CCPS amounting Rs.26275 lacs has been converted into equity on 4 January 2024.
(g) Current ratio	-	-	NA	NA		-
(h) Long term debt to working capital	-	-	NA	NA		-
(i) Bad debts to Account receivable ratio	-	-	NA	NA		-
(j) Current liability ratio	-	-	NA	NA		-
(k) Total debts to total assets	Total Debts	Total assets	0.77	0.82	(6%)	-
(l) Debtors turnover	-	-	NA	NA	0	-
(m) Inventory turnover	-	-	NA	NA		-
(n) Gross stage III (GNPA) loans	Gross Stage-III portfolio	Total gross advances	2.69%	3.84%	(30%)	The gross stage III loans has been decreased due to reduction of NPA.
(o) Net stage III (NNPA) loans*	Net Stage-III portfolio	Total net advances	0.70%	1.35%	(48%)	The net NPA (stage III loans) has been decreased due to increase in provision coverage of loans
(p) Provision coverage ratio (PCR)	Stage-III provision	Stage-III portfolio	74.56%	65.78%	13%	-
(q) Capital risk adequacy ratio (CRAR)**	Tier I and Tier II capital	Risk weighted assets	25.45%	24.66%	3.21%	-
(r) Capital redemption reserve	NA	NA	NA	NA		-
(s) Debenture redemption reserve	NA	NA	NA	NA		-

* Gross and net stage III loans do not include accrued interest of INR 11,172 lakhs as at March 31, 2024 (INR 8,893 lakhs as at March 31, 2023).
**Refer Note 42 for details.
Note: Certain ratios/line items marked with remark "NA" are not applicable since the Company is a non banking financial company registered with RBI.

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Note 41: Disclosures pursuant to Para 27 of Master Direction- Reserve Bank of India (Non-Banking Company- Scale Based Regulation) Directions, 2023.

A) Exposure to gold loan

The Company has no exposure to gold loan directly or indirectly.

B) Disclosures required as per the Non Banking Financial Company - Reserve Bank of India (Non Banking Financial Company - Scale based Regulation) Directions, 2023:

	Particulars			Remarks
1.	Capital to risk (weighted) assets ratio			Refer note no. 41 (C)
2.	Investments			Refer note 9
3.	Derivatives			The Company has entered into cross currency interest rate swaps (refer note 6, 16 and 41.4)
	i)	Forward rate agreement / Interest rate swap		
	ii)	Exchange traded interest rate (IR) derivatives		The Company has no unhedged foreign currency exposure as on March 31, 2024 and March 31, 2023.
	iii)	Disclosures on risk exposure in derivatives		
	iv)	Forward rate agreement/interest rate swap		
4.	Disclosures relating to securitisation			
	i)	Information duly certified by the SPV's auditors obtained by the originating NBFC		Refer note no. 41 (D.1)
	ii)	Details of financial assets sold to securitisation / reconstruction Company for asset		Refer note no. 41 (D.3)
	iii)	Details of assignment transactions undertaken by NBFCs		Refer note no. 41 (D.2)
5.	Details of non-performing financial assets purchased / sold			Refer Note no 35 (D.3)
	i)	Details of non-performing financial assets purchased :		NIL
	ii)	Details of non-performing financial assets sold :		Refer note no. 41 (D.3)
6.	Asset liability management maturity pattern of certain items of assets and liabilities			Refer note no. 36
7.	Exposures			
	i)	Exposure to real estate sector		The Company has no exposure to real estate directly or indirectly.
	ii)	Exposure to capital market		The Company has no exposure to capital market directly or
8.	Details of financing of parent Company products			This disclosure is not applicable as the Company does not have any
9.	Details of single borrower limit (SGL) / group borrower limit (GBL)			NA
10.	Unsecured advances			Refer note no. 41 (E)
11.	Miscellaneous			
	i)	Registration obtained from other financial sector regulators		Refer note no. 41 (F)
	ii)	Disclosure of penalties imposed by RBI and other regulators		No penalties were imposed by RBI and other regulators during the
	iii)	Related party transactions		Refer note no. 34
	iv)	Ratings assigned by credit rating agencies and migration of ratings during		Refer note no. 41 (G)
	v)	Remuneration of directors		Refer note no. 34
	vi)	Net profit or loss for the period, prior period items and changes in accounting policies		Refer accounting policy
	vii)	Revenue recognition		Refer accounting policy no. 3.2
	viii)	Ind AS 110 - Consolidated Financial Statements (CFS)		The Company prepares consolidated financial statements
12.	Additional disclosures			
	i)	Provisions and contingencies		Refer note no. 41 (H)
	ii)	Draw down from reserves		There has been no draw down from reserves during the year ended
	iii)	Concentration of deposits, advances, exposures and NPAs		
		a)	Concentration of deposits (for deposit taking NBFCs)	This disclosure is not applicable as the Company as it is not a
		b)	Concentration of advances	Refer note no. 41 (I)
		c)	Concentration of exposure	Refer note no. 41 (J)
		d)	Concentration of NPAs	Refer note no. 41 (K)
		e)	Sector-wise NPAs	Refer note no. 41 (L)
		f)	Movement of NPAs	Refer note no. 41 (M)
	iv)	Overseas assets (for those with joint ventures and subsidiaries abroad)		The Company has no exposure or transaction with overseas assets.
	v)	Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)		There are no off balance sheet exposure as on March 31, 2024 and March 31, 2023.
13.	Disclosure of complaints			Refer note no. 41 (N)

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C) Capital to Risk-Assets ratio (CRAR)

	Particulars	As at March 31, 2024	As at March 31, 2023
i)	CRAR (%)	25.45%	24.66%
ii)	CRAR - Tier I capital (%)	19.02%	21.78%
iii)	CRAR - Tier II capital (%)	6.43%	2.88%
iv)	Amount of subordinated debt raised as Tier - II capital (In Rs. Lakhs)	32,875	32,875
v)	Amount raised by issue of perpetual debt instruments (In Rs. Lakhs)	15,000	15,000

D.1) The followings figures are being reported based on certificate issued by the auditors of the SPV

(In Rs. Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
1	No of SPVs sponsored by the NBFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC as on the balance sheet date	448	4,838
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet	1357	1,357
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	557	557
	• Others	800	800
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

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D.2) **The following figures are being reported based on direct assignment undertaken by the Company.**

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Numbers of loans assigned	5,54,609	9,06,347
Aggregate value of accounts sold	3,07,615	3,03,660
Aggregate consideration	2,76,853	3,03,660
Portfolio loan assigned and outstanding as at the year end	2,79,597	2,42,200
Income from direct assignment recognised in the statement of profit and loss	39,673	33,747

The Company has transferred all the rights and obligations relating to above assigned loan assets to the buyers.

D.3) **The details of stressed loans transferred to ARC and investment made in security receipts (SRs) during the year ended March 31, 2024.**

(In Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
i) No. of accounts	-	1,66,593
ii) Aggregate principal outstanding of loans transferred	-	30,747
iii) Weighted average residual tenor of the loans transferred (in months)	-	9
iv) Net book value of loans transferred (at the time of transfer)	-	15,747
v) Aggregate consideration	-	15,000
vi) Additional consideration realised in respected of accounts transferred in earlier years	-	-
vii) Excess provision reversed to the profit and loss account on sale of stressed loans	-	-
viii) Investment in SRs *	-	13,043

SRs were received as considerations for the transfer of loans which did not meet the derecognition requirement as per Ind AS 109. Hence, the asset has not been derecognised from the books of account of the Company. However, as the legal form of the asset has changed from loans to investment in SRs, it is accounted under investments.

Details of recovery rating assigned for security receipts as on March 31, 2024.

Recovery Rating Scale	Implied recovery	Book Value (INR in Lakhs)
RR3	50% to 75%	31,516

E) **Unsecured Advances**

(In Rs Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Portfolio loans	7,29,329	5,93,496

F) **Registration obtained from other financial sector regulators :**

The Company is registered with the 'Ministry of Corporate Affairs' (Financial regulators as described by Ministry of Finance) having CIN no. U65999OR1986PTC015931.

G) **Ratings assigned by credit rating agencies and migration of ratings during the year:**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Term loans	CRISIL A- (Positive)	A- (Stable)
Non convertible debentures		
IFMR Capital 34 cr- 3 (sub debt-3)	-	ICRA A- {STABLE}
ResponsAbility-I	-	ICRA A- {STABLE}
Northern Arc	-	ICRA A- {STABLE}
RespA+ Karvy 60 crores	CRISIL A- {STABLE}	CRISIL A- {STABLE}
RespA+Triple Jump	CRISIL A- {STABLE}	CRISIL A- {STABLE}
Symbiotic V	CARE A-(Positive)	CARE A-(Stable)
ADB	UNRATED	UNRATED
Karvy	CRISIL A- {STABLE}	CRISIL A- {STABLE}
Vivriti	CARE A-(Positive)	CARE A-(Stable)
Triodos-3	CARE A-(Positive)	CARE A-(Stable)
Bandhan Bank (TLTRO 2.0)	-	CRISIL A- {STABLE}
Union Bank (TLTRO 2.0)	-	CARE A-(Stable)
Symbiotics VI	-	ICRA A - STABLE
SBI (TLTRO 2.0)	-	CRISIL A- (Stable)
Indian Bank (TLTRO 2.0)	-	CARE A-(Stable)
Bank of Baroda (TLTRO 2.0)	-	ICRA A- Stable & CARE A Stable
Blue orchard VI	-	ICRA A- (stable)
ResponsAbility-IV	-	CRISIL A- (Stable)
Vivriti II	-	ICRA A- Stable
CDC	CARE A (CE)	CARE A (CE)
Symbiotics VII (sub debt)	CARE A-(Positive)	CARE A-(Stable)
Global Access Fund LP	Unrated	Unrated
Blue orchard-VIII [MEF]	CARE A-(Positive)	CARE A-(Stable)
Blue orchard VII [Covid 19]	CARE A-(Positive)	CARE A-(Stable)
Symbiotic VIII	-	CRISIL A-(Stable)
Symbiotics IX	ICRA A- Stable	ICRA A- Stable
Global Access Fund LP	Unrated	Unrated
RespA V	CARE A-(Positive)	CARE A- Stable
Triodos IV	CARE A-(Positive)	CARE A- Stable
Triple Jump-IV	ICRA A-(Stable)	ICRA A-(Stable)
Northern Arc MLD	PP-MLD ICRA A-(Stable	PP-MLD ICRA A-(Stable)
Northern Arc Series I 35 Cr	-	ICRA A-(Stable)
Northern Arc Series II 60 Cr	ICRA A-(Stable)	ICRA A-(Stable)
Blue Orchard IX NCD	ICRA A-(Stable)	ICRA A-(Stable)
Symbiotics X	ICRA A-(Stable)	ICRA A-(Stable)
Symbiotic XI	ICRA A-(Stable)	ICRA A-(Stable)
Karvy SD-II NCD	ICRA A-(Stable)	ICRA A-(Stable)
Philip SD (Tr I) NCD	ICRA A-(Stable)	-
Philip SD-(Tr-II) NCD	ICRA A-(Stable)	-
Symbiotics XII NCD	ICRA A-(Stable)	-
Northern Arc Sundram NCD	CARE A-(Positive)	-
Symbiotic XIII NCD	ICRA A-(Stable)	-
Phillip SD II Rs 100 Cr	ICRA A-(Stable)	-

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H) **Provisions and Contingencies**

(In Rs Lakhs)

Break up of provisions and contingencies shown under the head expenditure in profit and loss account		For the year ended March 31, 2024	For the year ended March 31, 2023
i)	Provision made towards income tax (including adjustment for deferred tax)	7,861	1,146
ii)	Payment made against the securitised/ managed portfolio	-	-
iii)	Other provision and contingencies		
	a) Provision for gratuity	-	479
	b) Provision for leave benefit	1,112	561
	c) Provision for insurance claims	-	254
iv)	Provision towards NPA*	22,458	16,204
v)	Provision towards standard assets on investment in SRs ##	3,223	3,494

* Represents impairment allowance on stage III loans

\#\# Represents impairment allowance on stage I and stage II investment in SRs

I) **Concentration of advances**

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total advances to twenty largest borrowers *	412	531
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.05%	0.08%

* Represents amount outstanding as per contract with customers

J) **Concentration of exposures**

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total exposure to twenty largest borrowers / customers *	419	356
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	0.05%	0.05%

* Represents amount disbursed during the year as per contract with customers

K) **Concentration of NPAs**

(In Rs. Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total exposure to top four NPA accounts	59	254

L) **Sector-wise NPAs**

Sector	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ lakhs)	Gross NPAs (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**5,37,849**	**13,817**	**2.57%**	**4,83,603**	**18,578**	**3.84%**
2. Industry						
i) Retail Stores	47,490	604	1.27%	32,799	2,072	6.32%
ii) Business	94,593	2,153	2.28%	24,373	827	3.39%
iii)Others	25,316	403	1.59%	67,354	1,873	2.78%
Total of Industry (i+ii+iii+Others)	**1,67,398**	**3,160**	**1.89%**	**1,24,526**	**4,772**	**3.83%**
3. Services						
i) Service	35,989	2,870	7.98%	6,025	261	4.34%
ii)	-	-	0.00%	-	-	0.00%
Others	-	-	0.00%	-	-	0.00%
Total of Services (i+ii+Others)	**35,989**	**2,870**	**7.98%**	**6,025**	**261**	**4.34%**
4. Personal Loans						
i) Consumption Loans	2,148	67	3.11%	3,254	157	4.83%
iii)House Construction/ Renovation	8,270	463	5.60%	15,274	766	0.00%
Others	285	39	13.50%	1	-	0.00%
Total of Personal Loans (i+ii+...+Others)	**10,704**	**569**	**5.31%**	**18,528**	**923**	**4.98%**
5. Others	-	-	-	-	-	-

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M) **Movement of stage 3 (NPAs)***

(In Rs. Lakhs)

			Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i)	Net stage 3 (NPAs) to net advances (%)#			0.91%	1.52%
ii)	Movement of gross stage 3 (NPAs)				
	a)	Opening balance		25,841	53,275
	b)	Additions during the year		(3,931)	(27,434)
	c)	Reductions during the year (represents loan portfolio written-off)		-	-
	d)	Closing balance		21,910	25,841
iii)	Movement of net stage 3 (NPAs)				
	a)	Opening balance		9,636	16,036
	b)	Additions during the year		(28,833)	(67,311)
	c)	Reductions during the year		-	-
	d)	Closing balance		6,784	9,637
iv)	Movement of provisions for stage 3 (NPAs) (excluding provisions on				
	a)	Opening balance		16,204	37,238
	b)	Provisions made during the year		24,903	39,877
	c)	Write-off / write-back of excess provisions		(25,980)	(60,911)
	d)	Closing balance		15,127	16,204

* refers to Stage III loans

\# Net non-performing asset (Stage III) on gross advances is 0.90% (FY 2022-23: 1.45%), excluding FVOCI.

N) **Disclosure of Complaints**

1 **Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Sr. No		Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1		No. of complaints pending at the beginning of the year	-	-
2		No. of complaints received during the year	3,071	2,844
3		No. of complaints redressed during the year	3,071	2,844
	3.1	Out of which No. of complaints rejected by the NBFC		
4		No. of complaints pending at the end of the year	-	-
		Maintainable complaints received by the NBFC from Office of Ombudsman		
5		Number of maintainable complaints received by the NBFC from Office of Ombudsman	92	61
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	92	61
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2 **Top five grounds of complaints received by the NBFCs from customers**

As at March 31, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan clearance	-	871	(20%)	-	-
Insurance	-	1592	49%	-	-
Foreclosure	-	152	(46%)	-	-
Loan application status	-	24	(90%)	-	-
Loan rejection	-	240	500%	-	-
Others	-	192	78%	-	-
Total	-	3071	8%	-	-

As at March 31, 2023

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan clearance	-	1092	11%	-	-
Insurance	-	1069	(8%)	-	-
Foreclosure	-	284	51%	-	-
Loan application status	-	251	146%	-	-
Loan rejection	-	40	Nil	-	-
Others	-	108	96%	-	-
Total	-	2844	(81%)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme. * It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

The Company has a customer grievance redressal mechanism for convenience of customers to register their complaints and for the Company to monitor and redress them.
The above information is as certified by the management and relied upon by the auditors.

O) **Intra Group Exposure**

S. No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i)	Total amount of intra group exposure	180	99
(ii)	Total amount of top 20 intra group exposure	180	99
(iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.02%	0.02%

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P) Public disclosure on liquidity risk as on March 31, 2024 pursuant to RBI guidelines on liquidity risk management framework for non-banking financial companies dated November 4, 2019

Public disclosures on liquidity risk management

i) **Funding concentration based on significant counterparty (both deposits and borrowings) for the year ended March 31, 2024**

Number of significant counter parties	Amount (in Lakhs)*	% of Total deposits	% of Total liabilities
Thirty three (33)	5,81,600	NA	78.89%

Funding concentration based on significant counterparty (both deposits and borrowings) for the year ended March 31, 2023

Number of significant counter parties	Amount (in Lakhs)*	% of Total deposits	% of Total liabilities
Thirty (30)	5,65,337	NA	76.71%

ii) Top 20 large deposits (amount in Lakhs and % of total deposits) - not applicable. The Company being a systematically important non deposit taking NBFC registered with RBI does not accept public deposits.

iii) **Top 10 Borrowings (amount in lakhs and % of total borrowings) for the year ended March 31, 2024**

Amount in Lakhs	% of Total borrowings
1,53,336	22.21%

Top 10 Borrowings (amount in lakhs and % of total borrowings) for the year ended March 31, 2023

Amount in Lakhs	% of Total borrowings
1,72,451	24.83%

iv) **Funding concentration based on significant instrument/product for the year ended March 31, 2024**

Name of the instrument/product	Amount (in Lakhs)*	% of Total liabilities
Term loan from banks	1,42,719	19.40%
Term loan from FIs	51,091	6.95%
Secured redeemable non convertible debentures	-	0.00%
Compulsorily convertible debentures	15,000	2.04%
Compulsorily convertible preference shares	-	0.00%
Term Loans from NBFC's	30,052	4.09%
External commercial borrowings	10,000	1.36%
Total borrowings	**2,48,862**	**33.83%**
Total liabilities	**7,35,645**	

Funding concentration based on significant instrument/product for the year ended March 31, 2023

Name of the instrument/product	Amount (in Lakhs)*	% of Total liabilities
Term loan from banks	1,00,372	13.62%
Term loan from FIs	72,726	9.87%
Secured redeemable non convertible debentures	20,000	2.71%
Compulsorily convertible debentures	15,000	2.04%
Compulsorily convertible preference shares	22,874	3.10%
External commercial borrowings	9,242	1.25%
Subordinate debt (unsecured) - debentures	12,690	1.72%
Total borrowings	**2,52,904**	**34.32%**
Total liabilities	**7,36,954**	

Note : The above does not include borrowings on account of securitisation agreements recognised as per Ind AS 109

v) **Stock ratios as at March 31, 2024**

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than 1 year)	-	-	-
Other short term liabilities	-	-	-

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Stock ratios as at March 31, 2023

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than 1 year)	-	-	-
Other short term liabilities	-	-	-

*Represents amount outstanding as per contracts with lenders

vi) Institutional set up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance limit as decided by the board.

The Company also has a Risk Management Committee, which is a sub-committee of the board and is responsible for evaluating the overall risk faced by the Company including liquidity risks.

Asset Liability Management Committee (ALCO) of the Company is responsible for ensuring adherence to risk tolerance limits as well as implementing the liquidity risk management strategy of the Company.

Chief risk officer(CRO) is part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consists of chief financial officer (CFO) and head-treasury who are responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

Q] Notes to Public disclosure on liquidity risk as on March 31, 2024 pursuant to RBI guidelines on liquidity risk management framework for non-banking financial companies dated November 4, 2019

1. A significant counterparty is defined as a single counterparty or a group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI, NBFC-D total liabilities and 10% of the other non-deposit taking NBFC.

2. A significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amounts to more than 1% of the NBFC-NDSI, NBFC-D total liabilities and 10% of the other non-deposit taking NBFC's.

3. Total liabilities has been computed as sum of all liabilities (balance sheet figures) less equity and reserves and surplus.

4. Public funds shall include funds raised either directly or indirectly through public deposits, commercial papers and debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in regulatory framework for core investment companies issued vide Notification No. DNBS (PD) CC No. 206/03.10.001/2010-11 dated January 5, 2011.

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Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2024

As at March 31, 2024

(In Rs Lakhs)

			Particulars	Amount outstanding	Amount overdue
			Liabilities side		
(1)			**Loans and advances availed by the non- banking financial Company inclusive of interest accrued thereon but not paid:**		
	(a)		Debentures : Secured	52,497	-
			: Unsecured	19,489	-
			(other than falling within the meaning of public deposits*)	-	-
	(b)		Deferred Credits	-	-
	(c)		Term Loans	5,59,969	-
	(d)		Inter-corporate loans and borrowing	-	-
	(e)		Commercial Paper	-	-
	(f)		Public Deposits*	-	-
	(g)		Other Loans	-	-
(2)			**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a)		In the form of Unsecured debentures	-	-
	(b)		In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)		Other public deposits	-	-
			Assets side	**Amount outstanding**	
(3)			**Break-up of Loans and Advances including bills receivables**		
	(a)		Secured	35,220	
	(b)		Unsecured	7,29,329	
(4)			**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(i)		Lease assets including lease rentals under sundry		
		(a)	Financial lease	-	
		(b)	Operating lease	549	
	(ii)		Stock on hire including hire charges under sundry debtors :		
		(a)	Assets on hire	-	
		(b)	Repossessed Assets	-	
	(iii)		Other loans counting towards asset financing		
		(a)	Loans where assets have been repossessed	-	
		(b)	Loans other than (a) above	-	
(5)			**Break-up of Investments**		
	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)	Share		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others	-	
	2.		Unquoted		
		(i)	Shares		
			(a) Equity	500	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (Investment in security receipts and T-bills)	19,498	
		(vi)			

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(6)	Borrower group-wise classification of assets financed as in (3) and (4) above :					
	Category			Amount net of provisions		
				Secured	Unsecured	Total
	1.	Related Parties **				
		(a)	Subsidiaries	-	180	180
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	-	-	-
	2.	Other than related parties		35,220	7,29,878	7,65,098
		Total		**35,220**	**7,30,058**	**7,65,278**

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both				
	Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1.	Related Parties **			
		(a)	Subsidiaries	500	500
		(b)	Companies in the same group		
		(c)	Other related parties		
	2.	Other than related parties		19,498	19,498
		Total		**19,998**	**19,998**

(8)	Other information			
	Particulars			Amount
	(i)	Gross Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	21,910
	(ii)	Net Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	6,784
	(iii)	Assets acquired in satisfaction of debt		

As at March 31, 2023

(In Rs Lakhs)

Particulars					
Liabilities side				Amount outstanding	Amount overdue
(1)	Loans and advances availed by the non- banking financial				
	(a)	Debentures : Secured		90,434	-
		: Unsecured		20,504	-
		(other than falling within the		-	-
	(b)	Deferred Credits		-	-
	(c)	Term Loans		5,14,294	-
	(d)	Inter-corporate loans and borrowing		-	-
	(e)	Commercial Paper		-	-
	(f)	Public Deposits*		-	-
	(g)	Other Loans		-	-
(2)	Break-up of (1)(f) above (Outstanding public deposits				
	(a)	In the form of Unsecured debentures		-	-
	(b)	In the form of partly secured debentures i.e.		-	-
	(c)	Other public deposits		-	-
Assets side				Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables				
	(a)	Secured		57,106	
	(b)	Unsecured		5,93,496	
(4)	Break up of Leased Assets and stock on hire and other				
	(i)	Lease assets including lease rentals under sundry			
		(a)	Financial lease	-	
		(b)	Operating lease	550	
	(ii)	Stock on hire including hire charges under sundry			
		(a)	Assets on hire	-	
		(b)	Repossessed Assets	-	
	(iii)	Other loans counting towards asset financing			
		(a)	Loans where assets have been repossessed	-	
		(b)	Loans other than (a) above	-	

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(5)	**Break-up of Investments**			
	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)	Share	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others	-
	2.	Unquoted		
		(i)	Shares	
			(a) Equity	500
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others	9,549
		(vi)		

(6)	**Borrower group-wise classification of assets financed as in (3) and (4) above :**				
	Category		**Amount net of provisions**		
			Secured	**Unsecured**	**Tot**
	1.	**Related Parties ****			
		(a) Subsidiaries			
		(b) Companies in the same group			
		(c) Other related parties			
	2.	Other than related parties	57,106	5,94,046	6,51,152
		Total			

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both**			
	Category		**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	Related Parties **		
		(a) Subsidiaries	500	500
		(b) Companies in the same group		
		(c) Other related parties		
	2.	Other than related parties	28,790	9,549
		Total		

(8)	**Other information**		
	Particulars		**Amount**
	(i)	Gross Non-Performing Assets	
		(a) Related parties	
		(b) Other than related parties	25,841
	(ii)	Net Non-Performing Assets	
		(a) Related parties	
		(b) Other than related parties	9,637
	(iii)	Assets acquired in satisfaction of debt	

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R) Corporate governance

1) Composition of the Board :

(Amount in Rs. Lakhs except no. of shares)

Sl.no.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships (including this and other private and public companies)	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Gobinda Chandra Pattanaik	13-08-2009	Chairperson /Executive	02716330	9	6	1	379			80,00,546
2	Mr. Dibyajyoti Pattanaik	14-09-2009	Executive	02764187	9	9	2	168			17,19,805
3	Mr. Krishna Kumar Tiwary	13-02-2012	Independent	02914614	9	9	5		8		-
4	Mr. Sean Leslie Nossel	20-07-2012	Independent	05327455	9	5	1		5		-
5	Mr. Ashok Ranjan Samal	17-10-2016	Independent	00918164	9	9	2		14		-
6	Ms. Christina Stefanie Juhasz	30-11-2016	Nominee	06451902	9	7	2				-
7	Mr Arup Kumar	28-09-2022	Nominee	07682113	9	4	2				-
8	Mr. Sunit Vasant Joshi	19-05-2020	Nominee	02962154	9	9	1				-
9	Mr. Venkiteswaran Mecherimadam Ramakrishnan	25-09-2020	Nominee	08286433	9	8	4				-
10	Ms. Radhika Jayant Shroff	25-06-2021	Nominee	09210584	9	5	1				-
11	Mr. Ranganathan Varadarajan Dilip Kumar	25-06-2021	Nominee	01060651	9	2	6				-
12	Mr. Abhishek Agrawal	23-12-2021	Nominee	06760344	9	9	4				-
13	Mr. Guillaume Accarain	18-04-2021	Nominee	09527231	9	7	1				-
14	Mr. Pushkar Jauhari*	27-05-2022	Nominee	06391650	4	4	NA				-
15	Mr. Ajay Bhaskar Limaye	25-09-2023	Nominee	02762738	5	5	1				-
16	Mr. Govinda Rajulu Chintala	25-09-2023	Independent	03622371	4	4	5		4		-

* During the financial year 2023-24, Mr. Pushkar Jauhari ceased to be Director w.e.f. September 25, 2023.

2) Details of change in composition of the Board during the current and previous financial year:

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Pushkar Jauhari	Nominee Director	Resignation	September 25, 2023
2	Mr. Ajay Bhaskar Limaye	Nominee Director	Appointment	September 25, 2023
3	Mr. Govinda Rajulu Chintala	Independent Director	Appointment	September 25, 2023

Note: No independent director resigned during the financial year ended March 31, 2024.

3) Disclosure of relationship between directors inter-se

None of the Directors of the Company are related to each other.

4) Committees of the Board and their composition

The Board has constituted the following Committees:-

a. Audit Committee
b. Nomination and Remuneration Committee
c. Risk Management Committee
d. Stakeholders Relationship Committee
e. Corporate Social Responsibility & Social Performance Management Committee
f. IT Strategy Committee
g. Executive Committee
h. Annual Business Plan(ABP) Committee
i. Product Committee
j. Asset Liability Management (ALM) Committee

a) Audit Committee: The Audit Committee assists the Board with its responsibility of overseeing the quality and integrity of the accounting, auditing, financial performance and reporting practices of the Company and its compliance with the legal and regulatory requirements. The role of Audit Committee, inter alia, includes overseeing the accounting and financial reporting processes of the Company, the audits of the Company's financial statements, the qualifications, appointment, remuneration, independence and performance of the statutory auditors, the reports & observations of internal auditors, the report of secretarial audit report, the report information security audit report and reviewing the risk management framework/policies.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Krishna Kumar Tiwary	19-10-2012	Independent Director, Chairman	4	4	-
2	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	4	4	-
3	Mrs. Christina Stefanie Juhasz	21-06-2019	Nominee Director	4	2	-
4	Mr. Govinda Rajulu Chintala	08-11-2023	Independent Director	1	1	

Note: Mr. Govinda Rajulu Chintala, qualified to be a member of the Committee effective November 8, 2023.

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b) CSR & Social Performance Management Committee: Pursuant to the applicable provisions of the Act, the CSR Committee is required to recommend the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy. The SPM Committee is constituted especially for the purpose of managing the social activities in backward areas. The CSR and SPM Committees is responsible for the implementation and monitoring the activities undertaken towards achieving the Company's CSR goals.

The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Gobinda Chandra Pattanaik	25-11-2013	Managing Director, Chairman	2	0	80,00,546
2	Mr. Dibyajyoti Pattanaik	25-11-2013	Executive Director	2	2	17,19,805
3	Mr. Sean Leslie Nossel	25-11-2013	Independent Director	2	1	-
4	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	2	2	-

c) **Nomination & Remuneration Committee:** The role of Nomination & Remuneration Committee covers all the areas mentioned under relevant provisions of the Act and the Listing Regulations, including the following:

i) Recommending / reviewing remuneration of the Managing Directors and Whole-time Directors based on their performance and defined assessment criteria.
ii) Approving appointment, if any, of a relative of a Director for holding office of profit in the Company as per the provisions of the Act and Rules issued thereunder.
iii) Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

The Committee met three times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	3	3	-
2	Mr. Krishna Kumar Tiwary	06-08-2014	Independent Director	3	3	-
3	Mr. Sean Leslie Nossel	06-08-2014	Independent Director	3	2	-
4	Mr. Gobinda Chandra Pattanaik	06-08-2014	Managing Director	0	0	80,00,546
5	Mr. Abhishek Agrawal	25-09-2023	Nominee Director	1	1	

Note: Mr. Abhishek Agrawal, qualify to be a member of the Committee effective September 25, 2023.
* During the financial year 2023-24, Mr. Gobinda Chandra Pattanaik ceased to be Directors w.e.f. May 25, 2023.

d) Risk Management Committee: The role of Risk Management Committee includes review of the Company's risk management policies, ensuring appropriate methodology, processes and systems are in place to monitor and evaluate risks, and review of risk management effectiveness and follow up of remedial actions. The committee on a regular basis reviews reports providing details of the risk exposure, risk mitigation plan and risk management efforts of the Company.

The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Gobinda Chandra Pattanaik	17-02-2016	Managing Director, Chairman	3	1	80,00,546
2	Mr. Sunit Vasant Joshi	09-07-2020	Nominee Director	4	4	-
3	Mrs. Christina Stefanie Juhasz	30-11-2016	Nominee Director	4	2	-
4	Mr. Ashok Ranjan Samal	24-09-2021	Independent Director	4	4	-
5	Ms. Radhika Jayant Shroff	24-09-2021	Nominee Director	4	3	-

Note: Mr. Gobinda Chandra Pattanaik, ceased to be a member of the Committee effective November 8, 2023.

e) IT Strategy Committee: In terms of RBI Guidelines, the Company has constituted an IT Strategy Committee to advise the Board on IT initiatives and to ensure that IT strategy is aligned with business strategy and management has an effective strategic planning process in place.

The Committee met three times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Ashok Ranjan Samal	14-12-2017	Independent Director, Chairman	3	3	-
2	Mr. Gobinda Chandra Pattanaik	14-12-2017	Managing Director	3	1	80,00,546
3	Mr. Dibyajyoti Pattanaik	14-12-2017	Director	3	3	17,19,805
4	Mr. Sankarshan Panda	24-09-2018	CIO- Chief Information Officer	3	3	-
5	Mr. Dilipa Khuntia	24-09-2018	CTO- Chief Technology Officer	3	3	-

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f) Product Committee: The primary role of the Product Committee is preparing and supporting the decisions to be made by the Board of Directors as a whole on product management and to study and prepare strategic plan including monitoring and guiding for product diversification in order to improve the performance of the Company and ensuring long term value creation. The committee evaluates the performance of each loan product and also review the proposal of new loan products.

The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Dibyajyoti Pattanaik	15-02-2017	Director, Chairman	2	2	17,19,805
2	Mr. M R Venkiteswaran	25-09-2020	Nominee Director	2	2	-
3	Mr. Ashok Ranjan Samal	15-02-2017	Independent Director	2	2	-
4	Ms. Christina Juhasz	15-02-2017	Nominee Director	2	1	-

g) ALM Committee (ALCO): As per RBI Guidelines, the ALM Committee ensures effective risk management in its various portfolios and to avoid Asset Liability mismatches and interest rate risk exposures of the Company.

The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Dibyajyoti Pattanaik	04-04-2014	Director, Chairman	4	4	17,19,805
2	Mr. Satyajit Das	04-04-2014	KMP, Member	4	4	6,20,102
3	Mr. Sanjaya Pattanaik	04-04-2014	KMP, Member	4	4	6,20,102
4	Mr. Kumar Vaibhav	04-04-2014	KMP, Member	4	4	-
5	Mr. Sabyasachi Sahu	04-04-2014	KMP, Member	4	4	-
6	Mr. Anoop TP	04-04-2014	KMP, Member	4	4	-

*KMP are the Key Managerial Personnel of the Company.

h) Annual Business Plan Committee (ABP committee): The Annual Business Plan Committee helps in forecasting and drawing a business plan for the next financial year, based on which the Company conducts its business. The actual and estimated performance is being assessed and reviewed in the committee meetings and a revised B-Plan is placed for approval if required.

The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Ashok Ranjan Samal	26-02-2019	Independent Director	2	2	-
2	Mr. Sean Leslie Nossel	26-02-2019	Independent Director	2	0	-
3	Ms. Radhika Jayant Shroff	24-09-2021	Nominee Director	2	1	-
4	Mr. Sunit Vasant Joshi	09-07-2020	Nominee Director	2	2	-
5	Mr. Pushkar Jauhari	27-05-2022	Nominee Director	1	1	-
6	Mr Ajay Bhaskar Limaye	08-11-2023	Nominee Director	1	1	-

Note: Mr. Pushkar Jauhari, ceased to be a member of the Committee effective November 8, 2023.

Note: Mr. Ajay Bhaskar Limaye, qualify to be a member of the Committee effective November 08, 2023.

i) Stakeholders Relationship Committee: The Stakeholders Relationship Committee of the Board addresses to the grievances of different stakeholders of the Company. The role of the committee is to attend to the grievances of the security holders and takes measures to resolve their queries or grievances and also to prepare the grievance status report for presentation in the Board. The Committee met once during the year.

The Composition of the Committee is mentioned below:

Sl.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Ashok Ranjan Samal	24-09-2021	Independent Director, Chairman	1	1	-
2	Mr. Gobinda Chandra	24-09-2021	Managing Director	1	1	80,00,546
3	Mr. Dibyajyoti Pattanaik	24-09-2021	Director	1	1	-

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j) Executive Committee: The Executive Committee is the sub-committee of the Board consists of Executive Directors. As per the terms of reference approved by the Board the committee discusses on the day-to-day affairs of the Company and accord approval in the matter. All the matters discussed and approved by committee is being placed before the Board for noting.

The Committee met fifty-four times during the year. The Composition of the Committee is mentioned below:

Sl.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Gobinda Chandra Pattanaik	12-11-2014	Managing Director, Chairman	54	54	80,00,546
2	Mr. Dibyajyoti Pattanaik	12-11-2014	Executive Director,	54	54	17,19,805

5) General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings are as below :

Sl No	Type of Meeting (Annual / Extra-Ordinary)	Date	Place	Special Resolution Passed
1	Extra-Ordinary General Meeting	05-May-23	at Registered Office of Company	1. Approval for the Increase in Borrowing Powers of the Board in terms of Section 180(1)(c) of the Companies Act, 2013
				2. Approval of the Creation of Charge/ Mortgage etc. in terms of Section 180(1)(a) of the Companies Act, 2013
2	Annual General Meeting	25-Sep-23	at Registered Office of Company	1. Re-appointment of Mr. Gobinda Chandra Pattanaik (DIN: 02716330) as Managing Director of the Company
				2. Re-appointment of Mr. Dibyajyoti Pattanaik (DIN: 02764187) as Executive Director of the Company
				3. Approval of Annual Business Plan for FY 2023-24
				4.Approval for the Alteration of Articles of Association of The Company
				5.Increase in the Borrowing Powers of the Board in terms of Section 180(1)(c) of the Companies Act, 2013
				6. Creation of Charge/ Mortgage etc. in terms of Section 180(1)(a) of the Companies Act, 2013
				7.Issuance of Non-Convertible Debenture in terms of Section 42 of the Companies Act, 2013
				8. Consideration and Approval of the employment agreement with key employees of the company
				9. Regularisation of appointment of Additional Director (Shri Govinda Rajulu Chintala- Independent Director)
3	Extra-Ordinary General Meeting	22-Jan-24	at Registered Office of Company	1. Approval for execution of transaction documents for sale of equity shares of the company by the existing shareholders to Piramal Alternatives Trust
				2. Approval for execution of transaction documents for sale of equity shares of the company by the existing shareholders to India SME Investments Fund -I and Mr. Anand Surana
				3. Approval for issuance of securities, (OCD) on private placement offer basis
				4. Approval for execution of the transaction documents (i.e. Debenture Trustee Agreement, Debenture Trust Deed, and the Fee Letter Agreement)

6) Details of non-compliance with requirements of Companies Act, 2013

No additional requirements in Companies Act, 2013, accounting and secreterial standards during the year.

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Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2024

Note 41.2: Disclosure required as per RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2024

(In Rs. Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying value as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying value	Provisions required as per IRACP norms (note 1)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7)= (4)-(6)
Stage 1 and Stage 2 (Performing Assets)						
Standard	Stage 1	7,33,257	3,350	7,29,907	2,912	438
	Stage 2	9,382	1,596	7,786	43	1,554
Subtotal		7,42,639	4,946	7,37,693	2,954	1,992
Stage 3 (Non performing Assets)						
Substandard	Stage 3	21,712	14,984	6,728	9,130	5,854
Doubtful - up to 1 year	Stage 3	158	109	49	36	74
1 to 3 years	Stage 3	40	33	6	40	(7)
Subtotal		21,910	15,126	6,784	9,206	5,920
Loss	Stage 3			-	-	-
Subtotal for Stage 3 (NPA)		21,910	15,126	6,784	9,206	5,920
Total	Stage 1	7,33,257	3,350	7,29,907	2,912	438
	Stage 2	9,382	1,596	7,786	43	1,554
	Stage 3	21,910	15,126	6,784	9,206	5,920
	Total	7,64,549	20,072	7,44,477	12,160	7,912

As at March 31, 2023

(In Rs. Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying value as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying value	Provisions required as per IRACP norms (note 2)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7)= (4)-(6)
Stage 1 and Stage 2						
Standard	Stage 1	6,20,447	1,594	6,18,853	308	1,286
	Stage 2	4,314	599	3,715	6	593
Subtotal		6,24,761	2,193	6,22,568	314	1,879
Stage 3						
Substandard	Stage 3	25,841	16,204	9,637	10,652	5,552
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
Subtotal		25,841	16,204	9,637	10,652	5,552
Loss	Stage 3	-	-	-	-	-
Subtotal for Stage 3		25,841	16,204	9,637	10,652	5,552
Total	Stage 1	6,20,447	1,594	6,18,853	308	1,286
	Stage 2	4,314	599	3,715	6	593
	Stage 3	25,841	16,204	9,637	10,652	5,552
	Total	6,50,602	18,397	6,32,205	10,966	7,431

Note 1: Figures in this column represents provisions determined in accordance with the asset classification and provisioning norms as stipulated under Master Directions.

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Note 41.3: Frauds

1 Information on instances of fraud for the year ended March 31, 2024:

(In Rs. Lakhs)

Nature of fraud	No. of cases	Amount of fraud	Amount Recovered	Considered as Recoverable	Amount Provided for
Cash embezzlement	22	30	1	-	29

2 Information on instances of fraud for the year ended March 31, 2023:

(In Rs. Lakhs)

Nature of fraud	No. of cases	Amount of fraud	Amount Recovered	Considered as Recoverable	Amount Provided for
Cash embezzlement	10	33	1	-	32

Note 41.4: Derivative instruments

As at March 31, 2024

Bank/ Lender	Nature of hedging*	The notional principle of swap agreements	Gain/ (losses) which would be incurred if counterparties failed to fulfill their obligations under the agreements	Collateral required by the applicable NBFC upon entering into swaps	The fair value of the swap book	Fair value of ECBs (Liabilities)
Finfund (EURO)	CCIRS	2,933	401	Unsecured	2,531	3,373
Proparco (USD)	CCS	3,239	370	100%	2,869	3,572
Financing for Helathier Lives, DAC (USD)	CCIRS	4,419	618	110%	3,801	5,000
OeEB (EURO)	CCS	9,518	202	100%	9,315	10,118
ResponsAbility 3 (ECB)	CCS	12,295	13		12,282	12,501
Blue orchard(MIFA) (ECB) Loan-1	FCS	3,296	(11)	105%	3,307	3,334
Blue orchard(ECB) Loan-1	FCS	5,653	(24)	105%	5,677	5,742
Frankfurt School Financial Services (ECB)	FCS	4,110	16	100%	4,094	4,167
Microvest 2 (ECB)	FCS	8,240	(123)	105%	8,363	8,334
Frankfurt School Financial Services (ECB) 2	FCS	4,152	(43)	100%	4,195	4,167

As at March 31, 2023

Bank/ Lender	Nature of hedging*	The notional principle of swap agreements	Gain/ (losses) which would be incurred if counterparties failed to fulfill their obligations under the agreements	Collateral required by the applicable NBFC upon entering into swaps	The fair value of the swap book	Fair value of ECBs (Liabilities)
Finfund(EURO)	CCIRS	5,865	712	Unsecured	5,153	6,701
Proparco(USD)	CCS	6,478	670	100%	5,808	7,042
Financing for Helathier Lives, DAC (USD)	CCIRS	4,419	629	110%	3,790	4,929
OeEB (EURO)	CCS	12,690	176	100%	12,514	13,402

* CCIRS, CCS and FCS means Cross Currency interest rate swaps, Cross Currency swaps and Foreign Currency swaps respectively.

Note 41.5: Other Disclosures

1. The Company has not given any loans against intangible assets.

2. The Company has breached covenants of 7 loan facilities/ debentures with a carrying amount of INR 33,392 lakhs as at March 31, 2024. These loan facilities/ debentures are repayable in tranches within 28 months. However, these loan facilities/ debentures contained covenants like the Company's GNPA, NNPA, PAR ratio, etc. at the defined intervals which cannot exceed threshold mentioned in each of the agreements otherwise the lenders/ debenture holders have right to recall the loan facilities/ debentures.

The Company exceeded GNPA, NNPA, PAR ratio, etc. as at 31 March 2024. However, management obtained waivers for the 7 loan facilities/ debentures. Accordingly, loan facilities/ debentures with a carrying amount of INR 33,392 lakh were not payable on demand as at March 31, 2024. The Company has performed an assessment of its liquidity position taking into account the impact of the loan covenant breaches, current liquid funds held and expected inflows from various sources of borrowings. Based on the foregoing assessment, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

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Note 42: Capital management:

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

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. The Company monitors its capital to risk weighted assets ratio (CRAR) on a monthly basis.

(in Rs. lakhs)

Regulatory capital	As at March 31, 2024	As at March 31, 2023
Tier 1 Capital	1,56,655	1,40,076
Tier 2 Capital	52,927	18,525
Total capital	**2,09,582**	**1,58,601**
Risk weighted assets	8,23,505	6,43,216
Tier 1 CRAR	19.02%	21.78%
Tier 2 CRAR	6.43%	2.88%
Total capital ratio	**25.45%**	**24.66%**

Regulatory capital consists of Tier 1 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 Tier 2 capital instruments.

The Company is meeting the capital adequacy requirements of the RBI.

The Company monitors capital gearing ratio, which is net devided by adjusted equity. Net debt is calculated as total liabilities (as shown in the balance sheet) less cash and cash equivalents and other bank balances. Adjusted equity comprises all components of equity other than amounts accumlated in the hedging and cost of hedging. The company's net debt to adjusted equity ratio i.e. capital gearing ratio at March 31, 2024 was as follows:

(in Rs. lakhs)

	As at March 31, 2024	As at March 31, 2023
Total liabilites	7,35,645	7,36,954
Less: cash and cash equivalents and other bank balances (see Note 4 and 5)	(74,132)	(1,59,713)
Adjusted Net debt	**6,61,513**	**5,77,241**
Total Equity	1,65,951	1,20,831
Less: hedging reserve	(775)	(326)
Adjusted equity	1,66,727	1,21,157
Net debt to adjusted equity ratio	**3.97**	**4.76**

Amongst other things, the Company's objective is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest bearing and upholds investors confidence.

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Note 42.1: Risk management

1 Introduction and risk profile

The Company is amongst the top NBFC-MFIs in India focused on providing loans to women from low income households with annual incomes upto INR 3 lakhs and engaged in economic activity with limited access to financial services. The Company predominantly offers unsecured loans to women from low income households, willing to borrow in a group and agreeing to take joint liability. The wide range of lending products addresses the critical needs of borrowers throughout their lifecycle and include income generation, home improvement, sanitation and personal emergency loans. With a view to diversifying the product profile, the Company has introduced individual loans for matured group lending customers. To diversify from the microfinance portfolio, the company has also actively forayed into Micro & Small Enterprise Lending with ticket sizes upto INR 25 lakhs providing both secured & unsecured Business Loans to individual businesses.

The common risks for the Company are operational, Credit, Interest rate risk, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

1.1 Risk management framework

The Company's board of directors are responsible for the overall risk management function and for approving the risk management strategies and principles.The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The risk management framework approved by the Company's board of directors has laid down the standard governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the the Company. The risk culture is not limited to the risk management but permeates through all the departments of the the Company right from basic field staff to the topmost management across all the departments. The business lines are the first line of defense, the risk management department & compliance function act as the second line of defense and supports the management to ensure risk and controls are effectively managed. The Internal Audit department acts as the third line of defence and ensures objective assurance to the management and the board that the first and second lines' efforts are consistent with expectations.

The Company's risk managment policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherance to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through, its training training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management control and procedures, the results of which are reported to the audit committee.

1.2 Risk mitigation and risk culture

Risk assessments shall be conducted for all business & support activities. The assessments are to address threshold breaches, monitor potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed in conjunction with department heads and risk management department including, where appropriate, expertise from outside the Company. Procedures shall be established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company shall formulate its risk management strategy / risk management plan on annual basis. The strategy will encompass using the control measures for risks control & their mitigation. The risk mitigation can be planned using the following key strategies:

Risk avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk transfer: Typically by contract or by hedging, mitigation leads to another party accepting in the risk.

Risk reduction: Employing methods / solutions that reduce the severity of the loss.

Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

1.3 Risk measurement and reporting systems

Management reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

-Review of business growth and portfolio quality.
-Discuss and review the reported details of portfolio at risk, key risk threshold breaches, consequent responses and review of operational loss events, if any.
-Review of process compliances including audit performance across the Company
-Review of HR management, training and employee attrition
-Review of new initiatives and product / policy / process changes
-Discuss and review performance of IT systems
-Review the status of strategic projects initiated
-Review, where necessary, policies that have a bearing on the operational risk management and recommend amendments
-Discuss and recommend suitable controls / mitigations for managing operational risk and assure that adequate resources are being assigned to mitigate the risks
-Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences
-Understand changes and threats, concur on areas of high priority and possible actions for managing / mitigating the same

Risk Reports:

- Summaries of aggregate exposures, reports showing the Company's compliance with policies & limits on ratios
- Limit reports showing the Company's position with respect to limits set for liquidity & IRR Risks. Plans to bring the limits back into compliance is also included in the report if any of the limits are breached
- Results of stress tests along with the assumptions underlying the stress scenarios
- Annual funding resources plan placed before the board for approval
- Contingency funding plan
- Quarterly reports to the Board Level Risk Committee
- Monitor post-facto compliance & adherence to internal policies, procedures, & operational risk requirements by internal audit
- Monitoring of RCSA residual risk outputs periodically by RMU and reporting the same to the Management Level Risk Committee & the board
- Operational Loss reporting by liaisons within each business line or branch

The Company makes use of tools like Excel & PowerBI for calculation of Risk metrics & Excel, PPT & Word for Risk reporting.

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1.4 Risk management strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.
The following management strategies and policies shall be adopted by the Company to manage the various key risks.
To manage these key risks effectively, the company will adopt the following management strategies and policies:

Political risk mitigation measures:
-Regulatory compliance -Strict adherence to regulatory guidelines to ensure compliance with political regulations and minimize regulatory risks.
- Risk Assessment and Monitoring - Conducting thorough political risk assessments and continuously monitoring political developments in operating regions
- Low-cost operations and competitive pricing to enhance customer affordability.
- Customer-centric approach and emphasis on high customer retention rates.
- Rural focus to mitigate political risks associated with urban areas.
- Systematic customer awareness activities to educate clients on political and economic risks.
- High social-focused activities to strengthen community ties and resilience.
- Adherence to client protection guidelines to safeguard clients' interests.
- Establishment of a robust grievance redressal mechanism to address concerns promptly.

Concentration Risk Mitigation Measures:
- Implementation of a district-centric approach to diversify geographical exposure.
- Enforcing district exposure caps to limit concentration within specific regions.
- Restricting growth in urban locations to mitigate urban concentration risks.
- Imposing maximum disbursement caps per loan account to limit exposure.
- Setting maximum loan exposure caps per customer to diversify risk across a broader customer base.
- Diversifying funding resources to reduce dependency on specific funding channels and mitigate concentration risks.

By implementing these measures, the company aims to mitigate the impact of political and concentration risks, enhance resilience, and safeguard its performance against adverse developments in specific industries or geographical areas.

Operational and HR risk mitigation measures encompass several strategies aimed at minimizing potential risks to the company's operations and human resources:

- Stringent customer enrolment process ensures the selection of reliable clients, reducing the likelihood of default and fraud.
- Offering multiple products diversifies risk and increases revenue streams, enhancing financial stability.
- Implementation of proper recruitment policies and appraisal systems ensures the hiring and retention of qualified personnel, minimizing HR-related risks.
- Adequately trained field force improves service quality and customer satisfaction, reducing operational and reputational risks.
- Monthly collections increase customer engagement and reduce default risk by facilitating regular payments in manageable instalments.
- Multilevel monitoring framework enables proactive risk identification and management across various operational aspects.
- Strong, independent, and fully automated internal audit function enhances transparency and compliance, mitigating operational and financial risks.
- A robust IT system with real-time access to client and loan data facilitates informed decision-making and risk management, improving operational efficiency and reducing errors.
- Overall, these measures collectively strengthen the company's resilience to operational and HR risks, ensuring sustainable growth and operational excellence.

Liquidity risk mitigation measures:
• Diversified funding resources
• Asset liability management
• Effective fund management
• Maximum cash holding cap
.Monitoring of adiquate liquidity coverage

Expansion risk mitigation measures:
Contiguous growth
Market research and assessment
Geographic diversification
District centric approach
Rural focus
Branch selection based on census data & credit bureau data
Three level survey of the location selected

2 Impairment assessment/ credit risk (Also refer Note 8a)

Credit risk, the potential for loss arising from borrower defaults under loan agreements, is a significant concern for the organization. To mitigate this risk, the company has implemented stringent credit assessment policies for client selection. These policies include thorough verification of client details, utilization of online documentation, and leveraging credit bureau data to assess past credit behavior.

The company has introduced a Business Rule Engine (BRE) to streamline the process while maintaining quality standards and reducing turnaround time (TAT). The BRE facilitates high-quality credit checks and helps prevent incorrect customer selections.

In addition to the BRE, it has utilized a client scoring/Probability of Default (PD) model developed using machine learning (ML) techniques the scoring model enhances the ability to assess client creditworthiness efficiently and effectively.

Furthermore, the approach to opening new branches follows a systematic methodology, considering factors such as credit demand, income, market potential, and socio-economic and law and order risks in the proposed area. Our client due diligence procedures involve multiple layers of checks to ensure that proposed groups meet our criteria and maintain high quality.

Overall, these measures collectively strengthen the risk management framework and enable us to make informed decisions while ensuring the quality and integrity of our lending operations.
The Carrying amounts of financial assets and contract assets represents the maximum credit exposure.

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Impairment losses on financial assets and contract assets recognised in profit and loss were as follows

Rs. In Lakhs

Particulars	March 31, 2024	March 31 2023
Impairment loss on loans arising from contracts with costumers	29,443	32,436
Impairment loss on security receipts	3,223	3,494
Impairment loss on other financial assets	130	-
	32,796	35,930

The Company's exposure to credit risk is influenced mainly by the individual charasterstics of each costumer. However, management also considers the factors that may influence the credit risk of its costumer base, including the default risk associated with the industry and country in which costumers operate by taking the economic factors into consideration while calculating the expected credit loss of the costumers.

The risk management committee has established a credit policy under which each new costumer is analysed individually for creditworthyness before the Company's standard payment and sanction terms and conditions are offered. The Company's review includes external ratings , if they are available, financial statements, credit rating information.

Expected credit loss assessment for costumers

The following table provides information about the exposure to credit risk and ECLs for loans to costumers as on March 31, 2024

March 31, 2024	Gross carrying amount	Loss allowance	Credit impaired
Stage 1	7,33,257	3,350	No
Stage 2	9,382	1,596	No
Stage 3	21,910	15,126	Yes
Total	**7,64,549**	**20,072**	

The following table provides information about the exposure to credit risk and ECLs for loans to costumers as on March 31, 2023

March 31, 2023	Gross carrying amount	Loss allowance	Credit impaired
Stage 1	6,20,447	1,594	No
Stage 2	4,314	599	No
Stage 3	25,841	16,204	Yes
Total	**6,50,602**	**18,397**	

2.1 **Definition of default, Significant increase in credit risk and stage assessment**

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1 includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date)

Stage 2 includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3 includes default loans. A loan is considered default at the earlier of (i) the company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing collateral (if held); or (ii) the obligor is past due 90 days or more on any material credit obligation to the Company.

The Company offers products with monthly repayment frequency, and has identified the following stage classification to be the most appropriate for its Loans:
Stage 1: Low credit risk, i.e. 0 to 30 days past due
Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due (SICR)
Stage 3: Credit Impaired assets, i.e. all the NPA accounts(DPD>90).

2.2 **Probability of default**

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each state separately and is determined by using available historical observations.

TTC PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
TTC PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in observation period of 12-months' time.
TTC PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan is categorised as NPA.

-The TTC PD is converted to PiT PD using the regression method(incorporating forward looking information) and applying the term structure on yearly basis. The Stage-1 PiT PD is for 12 months and the Stage-2 PiT PD is calculated for remaining life time of the loan.

2.3 **Exposure at default (EAD)**

The Exposure At Default (EAD) component of the Expected Credit Loss(ECL) calculation is a forward-looking estimate of the exposure at the time of a future default. It takes into consideration the expected changes in the exposure after the reporting date, including scheduled repayments, prepayments, and drawdowns from existing credit lines.

Stage-I – For Stage-I accounts, only the 12-month PD is considered. The per period ECL is calculated from the forward exposure, PD and LGD values.

Stage-II – For Stage-II accounts, the forward exposures, and the PD up to maturity is considered. The per period ECL is calculated from the forward exposure, PD and LGD values.

Stage-III- For stage-III accounts, since the default has already occuried, forward exposure is not considered instead the outstanding at the time of default is used.

2.4 **Loss given default**

The LGD means the ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default.

2.5 **Grouping financial assets measured on a collective basis**

The company has adopted a multi-stage segmentation approach, firstly at the product level, then at the geographic level and then at stage level.The product segmentations of MSME-Secured, MSME-Unsecured, and MFI verticals cater to different client segments, each with its own unique attributes that impact their loan requirements and payment behaviour.
Also,the experience of the microcredit industry has shown that portfolios exhibit homogeneity based on geographical risk characteristics, where credit risk is similar within a state, but differ significantly between the states. Therefore, further geographical segmentation is carried out which provides further insight into the credit risk of the portfolio and supports the effective management of expected credit losses.

2.6 **Analysis of inputs to the ECL model under multiple economic scenarios**

The expected loss is measured through the incorporation of forward-looking information.Forward looking information is addressed through scenarios linked to macro-economic factors. The Company has taken these macroeconomic variables from IMF(International Monetary fund) and EIU (Economist Intelligence Unit) data and after that a regression analysis was carried out to find the relation between these macroeconomic variables and ODR data. These varaibles are used in three scenarios; base, upward and downward. Finally the ECL is calculated by applying weight to these 3 scenarios; Base(40%), Upward(40%), and Downward (20%).

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3 Liquidity risk and funding management

Liquidity risk arises from the company's potential inability to meet payment obligations when they come due or only being able to meet these obligations at excessive costs. To establish a secure liquidity risk management system, the Company's Board has devised a structured framework. This framework guarantees the maintenance of ample liquidity, incorporating reserves of unencumbered, high-quality liquid assets. The company may encounter a situation where the maturity structure of its assets and liabilities doesn't align, leading to an asset-liability mismatch. The company monitors the liquidity risk through the Asset Liability Management Committee, which involves categorizing assets and liabilities by maturity profiles and assessing any imbalances, especially in the short term. Liquidity risk may result from unexpected increases in funding costs for assets or challenges in selling positions promptly and at fair prices. Vigilant monitoring of our liquidity position ensures the company can fulfill all borrower and lender funding needs.

There are liquidity risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

Diversification of Funding is a critical component of the Company's Asset Liability Management (ALM) policy. The company has established a control framework aimed at effectively managing and diversifying the funding resources which ensures that adequate liquidity resources are maintained and secures funding with terms and structures aligned with the Board's defined liquidity risk tolerance. The Institutional Finance department in colaboration with the Treasury department of the company obtains funding from various sources such as banks, financial institutions, and manages interest rate risks while nurturing relationships with a wide range of financial entities. We consistently aim to broaden our funding base to ensure flexibility in meeting our financial needs. The Company ensures to foster a healthy relationship with the fund providers which allows the company to access a broad spectrum of funding sources offering diverse tenors, interest rates, and repayment terms. Additionally, given the nature of our loan portfolio, which meets priority sector lending criteria, the company also participate in securitization and direct assignment transactions. This ensures that the

company can effectively manage its funding risks and maintain its financial stability over the long term.

3.1 Risk Control & Self-Assessment(RCSA):

The Company is undergoing a Risk Control and Self-Assessment activity across the the Company. This is an annually recurring activity to be done in conjunction with all departments. Under this, Key Risk Indicators(KRIs) shall be identified after discussion with key stakeholders from all departments. The thresholds of the KRIs shall be finalised based on historical data as well as feedback from stakeholders.The method of calculation of the KRIs can be manual or auto-calculation via an Enterprise Risk Management Software(ERM). Once the KRI thresholds and their actual values are compared, triggers and escalations to respective department heads shall be initiated when threshold levels are breached. The RCSA activity shall help the Company in keeping a track of, monitoring, effectively mitigating and controlling all the Company wide risks. Via the RCSA activity, the lack of Controls shall also be identified, which shall help in building those controls via Standard Operating Procedures(SOPs) or change in operating practises.

3.2 Enterprise Risk Management(ERM):

Enterprise Risk Management(ERM) is a methodology that looks at risk management strategically from the perspective of the entire the Company. The Company has an RCSA mechanism to assist in ERM. The Company is very keen on using technological tools for ERM. In lieu of the same, the Company has onboarded an ERM software under the COSO ERM framework for 2017 . The functions of the software is hereunder:

i.) Keeping a central repository of Risk register, monitoring KRI breaches, assessing the effectiveness of Controls, calculation of Risk Score basis the Risk Product & Control Product scores, prioritisation of Risks & Heat Mapping.
ii.) KRI-automation-Via integration with the Company's systems, the key inputs for KRI calculation shall be fetched and the ERM system shall do all the calculations automatically.
iii.) Escalations and triggers to respective Department Heads when KRI thresholds are breached
iv.) Keeping a central management level track of the Company wide risks, their breaches
v.) Trend analysis to assess performance of risks
vi.) Risk reports for management.

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4 Market risk

4.1 Interest rate risk (IRR)

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately. The Company has board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

(In Rs. Lakhs)

Finance cost	Impact on profit		Impact on pre tax equity	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
0.50 % Increase	(401)	(333)	(401)	(333)
0.50 % Decrease	401	333	401	333

5.0 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge. The Company currently does not have any exposure to foreign currency.

The Company designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

(In Rs. Lakhs)

Particulars	31 March 2024			31 March 2023		
	INR	USD	Euro	INR	USD	Euro
ECB	60,308	562	150	32,074	146	225
Net balance sheet exposure	60,308	562	150	32,074	146	225

Particulars	Average rate		Year end spot rate	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
INR				
INR - USD Cross Currency Interest Rate Swap	74	74	83	82
INR- Euro Cross Currency Interest Rate Swap	78	78	90	89
INR- Euro Cross Currency Swap	85	85	90	89
INR - USD Cross Currency Swap	82	76	83	82

A reasonably possible strengthening (weakening) of the INR, US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particlulars	Profit or loss		Equity, net of tax	
	Strengthening (increase by 1%)	Weakening (decrease by 1%)	Strengthening (increase by 1%)	Weakening (decrease by 1%)
31 March 2024				
INR	60,911	(60,911)	76,241	(45,581)
USD	(47,285)	47,285	(59,186)	35,384
Euro	(13,626)	13,626	(17,055)	10,196
31 March 2023				
INR	60,147	(60,147)	75,285	(45,010)
USD	(46,611)	46,611	(58,342)	34,880
Euro	(13,536)	13,536	(16,943)	10,129

Cash flow hedges

At 31 March 2024, the Company held the following instruments to hedge exposures to changes in foreign currency

Particulars	Maturity		
	1-6 months	6-12 months	More than a year
Foreign currency risk			
Net exposure(in Lakhs)	4672	4672	48509
Average INR:USD	76	76	81
Average INR:Euro	81	81	85

The amounts at the reporting date relating to items designated as hedge items were as follows:

At 31 March 2023, the Company held the following instruments to hedge exposures to changes in foreign currency

Particulars	Maturity		
	1-6 months	6-12 months	More than a year
Foreign currency risk			
Net exposure(in Lakhs)	4672	4672	20108
Average INR:USD	76	76	74
Average INR:Euro	81	81	83

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The amounts at the reporting date relating to items designated as hedge items were as follows:

(In Rs. Lakhs)

Particulars	31 March 2024			
	Change in value used for calculating hedge ineffectiveness	Effective portion of Cash Flow Hedges	Costs of hedging	Balances remaining in the equity head "effective portion of cash flow hedges" from hedging relationships for which hedge accounting is no longer applied
Foreign currency risk				
ECB	(196)	42	-	-

(In Rs. Lakhs)

Particulars	31 March 2023			
	Change in value used for calculating hedge ineffectiveness	Effective portion of Cash Flow Hedges	Costs of hedging	Balances remaining in the equity head "effective portion of cash flow hedges" from hedging relationships for which hedge accounting is no longer applied
Foreign currency risk				
ECB	(238)	(238)	0	-

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting

(In Rs. Lakhs)

Particulars	31 March 2024	31 March 2023
	Effective portion of cashflow hedge	
Balance as at 1 April, 2023	(326)	(697)
Cash flow hedges		
Effective portion of changes in fair value of Currency Swaps and Interest Rate Swaps	(768)	1,307
Effective portion of foreign currency risk	(383)	(1,281)
Effective portion of internal rate risk	(385)	(1,786)
Amount reclassified to Profit and loss	-	-
Foreign currency Translation diff on ECB	167	(811)
Foreign currency risk	42	(238)
Interest rate risk	125	(572)
Tax movement on reserves	151	(125)
Balance as at 31 March, 2024	(775)	(326)

Particulars	Cost of hedging	
	31 March 2024	31 March 2023
External Commercial Borrowings	88	76

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Note 43: Liquidity coverage ratio (LCR)

As per the guidelines DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, the LCR requirement shall be binding on All non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore shall also maintain the required level of LCR starting December 1, 2020, as per the time-line given below:

Particulars	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	30%	50%	60%	85%	100%

I) Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time

The numerator of LCR is driven by the quantum and composition of High-Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows. The details of each line items considered are mentioned below

a) Unsecured and secured wholesale funding

All the principal and interest falling due from the secured and unsecured funding raised through various instruments like Term loans from Bank/FI/NBFC, ECBs,NCDs and subdebt during the next 30 days period is considered here.

b) Other contractual funding obligations

Other Contractual funding obligations includes the loan amount sanctioned but not disbursed and the off-balance sheet (Direct assignment outflows) to be paid during the next 30 days.

c) Other contingent funding obligations

Other Contingent funding obligations includes the amount due to be hypothecated against the new fund raised for the next 30 days. The statutory dues payable within the next 30 days is also considered under other contingent funding obligations.

d) Inflows from fully performing exposures

Principal and Interest payment to be received in the next 30-day period from the Standard clients out of the total loans and advances outstanding is considered here.

e) Other Cash inflows

balance sheet position to be received in the next 30 days is also considered here.

The Company has kept sufficient cash and cash equvalent which are regarded as High Quality Liquid Assets (HQLA) in the form of bank balance. The components of HQLA for the quarters is as under:

Particulars	For the year ended March 31, 2024 (weighted average)	For the year ended March 31, 2023 (weighted average)
Cash and cash equivalents	24,816	48,577
Total	**24,816**	**48,577**

II. Intra period changes and changes over time

The company endeavors to maintain a healthy level of LCR at all point of time. The LCR table shows the movement of changes in each component over the reporting period.

III. Composition of HQLA

The Company has kept sufficient cash and cash equvalent which are regarded as High Quality Liquid Assets (HQLA) in the form of bank balance. The components of HQLA for the quarters is as under:

Particulars	For the year ended March 31, 2024 (weighted average)	For the year ended March 31, 2023 (weighted average)
Cash in hand	582	222
Balances with Banks in current accounts	24,234	48,355
Treasury bills/Government securities	10,446	-
Total	**35,263**	**48,577**

IV. Concentration of funding sources

The Company has a diversified funding profile in the form of term loans from Bank, NBFC, FIs, non-convertible debentures and External Commercial Borrowings which are long-term in nature. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of investors / bankers who have funded the Company through various funding instruments.

V. Derivative exposure and potential collateral calls

The company didn't indulge in derivative trading activities. However, the company has entered into derivative transactions to hedge its balance sheet liability exposure and has accordingly considered in its computation process.

VI. Currency mismatch in LCR

The Company computes LCR in one single currency. Though the Company has raised funds through external commercial borrowings, all the exposures are completely hedged and the Company doesn't have foreign exposure in any other components.

VII. Other inflows and outflows in LCR calculation that are not captured in LCR

All the components of inflows and outflows that are captured in the LCR calculation are mentioned above.

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Note 43: Liquidity disclosure template as per RBI/2019-20/88

(in Rs. lakhs)

S. No.	Particulars	For the quarter ended March 31, 2024 Total unweighted value(average)	March 31, 2024 Total weighted value(average)	December 31, 2023 Total unweighted value(average)	December 31, 2023 Total weighted value(average)	Septemebr 30, 2023 Total unweighted value(average)	Septemebr 30, 2023 Total weighted value(average)	June 30, 2023 Total unweighted value(average)	June 30, 2023 Total weighted value(average)
High quality liquidity assets									
1	Total high quality liquid assets (HQLA)								
	Cash in hand	1,208	1,208	1,035	1,035	1,023	1,023	316	316
	Balances with banks in current accounts	17,507	17,507	20,696	20,696	12,950	12,950	47,110	47,110
	T-Bills/G-Sec	6,836	6,836	451	451	-	-		-
	HQLA	**25,550**	**25,550**	**22,181**	**22,181**	**13,973**	**13,973**	**47,426**	**47,426**
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,351	1,554	-	-	-	-	-	-
4	Secured wholesale funding	33,743	38,805	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-				
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	861	991	1,619	1,862
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	31,683	36,436	64,259	73,898	42,302	48,647	36,550	42,033
7	Other contingent funding obligations	794	914	654	752	2,483	2,855		
8	**TOTAL CASH OUTFLOWS**	**67,572**	**77,708**	**64,913**	**74,649**	**45,646**	**52,493**	**38,169**	**43,894**
Cash Inflows									
9	Secured lending		-		-		-		-
10	Inflows from fully performing exposures	66,009	49,507	47,061	35,296	40,880	30,660	36,708	27,531
11	Other cash inflows	44,961	33,721	37,426	28,070	50,157	37,618	31,678	23,759
11	**TOTAL CASH INFLOWS**	**1,10,970**	**83,227**	**84,487**	**63,365**	**91,037**	**68,278**	**68,386**	**51,290**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
12	**TOTAL HQLA**		25,550		22,181		13,973		47,426
13	**TOTAL NET CASH OUTFLOWS**		19,427		18,662		13,123		10,974
14	**LIQUIDITY COVERAGE RATIO (%) (LCR)**		131.52%		118.86%		106.47%		432.18%

1 Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
2 Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow
3 Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
4 Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

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Note 44: Disclosure pursuant to RBI Notification No RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 pertaining to resolution framework for COVID-19 related stress

(In Rs. Lakhs)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year (A) (September 30, 2023)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year (Refer Note)	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (March 31, 2024)
Personal loans	403	91	-	124	187
Corporate persons					
i) Of which MSMEs	-	-	-	-	-
ii) Others	-	-	-	-	-
Total	**403**	**91**	**-**	**124**	**187**

Note: Net of interest amount capitalised during the moratorium period.

Note 45: Information as required by Reserve Bank of India Circular on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021.

(In Rs. Lakhs)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year (A) (September 30, 2023)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (March 31, 2024) (Refer Note)
Personal loans	618	189	1	237	191
Corporate persons					
i) Of which MSMEs	-	-	-	-	-
ii) Others	-	-	-	-	-
Total	**618**	**189**	**1**	**237**	**191**

Note 46: Capital commitment

(In Rs. Lakhs)

Commitments	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (refer note 9.2)	44	-

During the current year, the Company entered into a contract to integrate its accounting software with it's main credit application for Rs. 180 lakhs out of which capital advance stands at Rs.136 lakhs.

Note 47: There are no contingent liabilities at the current and previous year-end.

Note 48: The figures appearing in the financial statement for the financial year ending March 31, 2024 and March 31, 2023 have been rounded off to nearest lakh.

Note 49: Subsequent events

On May 7, 2024, a few shareholders divested their investment in the Company which was acquired by Piramal Alternatives Trust, India SME Investments Fund - I and Mr. Anand Surana. On May 9, 2024, the revised shareholding was approved in the Extra Ordinary General Meeting ('EGM') of the Company.

On May 7, 2024, Piramal Alternatives Trust has further invested Rs.30,000 lakhs in the form of optionally convertible debentures.

W.e.f. May 9, 2024, Mr. Noval Totla has been appointed as nominee director (representing Piramal Alternatives Trust) of the Company and Mr. R. V. Dillip Kumar has resigned from the board of directors.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sameer Mota
Partner
Membership No.: 109928

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited
CIN: U65999OR1986PTC015931

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Bhubaneswar
May 21, 2024

Bhubaneswar
May 21, 2024