Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Annapurna Finance Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Annapurna Finance Private Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 ('ICAI') 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. 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.

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5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
(a) Impairment losses and write off on loan portfolio	
As at 31 March 2025, the Company reported total gross loans of ₹7,65,173 lakhs (31 March 2024: ₹7,55,545 lakhs) and ₹20,658 lakhs of expected credit loss provisions (31 March 2024: ₹20,072 lakhs). Refer Note 3.12 of the accompanying standalone financial statements for material accounting policy on impairment of loan assets and notes 8 and 26 for presentation and disclosures. The Company applies the Expected Credit Loss (ECL) model specified under Ind AS 109, Financial Instruments (Ind AS 109') for measuring impairment of financial assets. The estimation of ECL involves significant management judgment, particularly in relation to: • Segmentation of loan portfolios into appropriate risk pools; • Staging of loans into Stage 1, Stage 2, and Stage 3 and credit risk indicators; • Determination of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD); • Incorporation of forward-looking macroeconomic information; • Use of modeling techniques and management overlays. Similarly, the Company is also required to make judgements to identify the loans which are non-recoverable and thereby determined to be written off. Considering the significance of the above matter to the standalone financial statements, degree of estimation uncertainty and significant management judgment involved, this area required significant auditor attention to test such complex accounting estimates, and accordingly, this matter has been identified as a key audit matter for the current year audit.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to the following procedures: • Obtained an understanding of management's ECL methodology and internal control framework; • Evaluated the design and implementation, and tested the operating effectiveness of key controls around ECL assessment; • Tested completeness of loans included in the ECL calculations as of 31 March 2025; • Tested the segmentation, staging criteria, and related controls; • Evaluated the reasonableness of assumptions used, including PD, LGD, EAD, and macroeconomic factors; • Assessed the appropriateness of forward-looking overlays and scenario probability weightings; • Tested the arithmetical calculation of the expected credit losses; • Evaluated the appropriateness of the methodology and policy laid down and implemented by the Company for the loan portfolio written-off during the year and tested the authorization of write off on a sample basis; • Obtained written representations from the management in relation to the appropriateness of such ECL methodology and reasonableness of the judgements and assumptions used; and • Reviewed the appropriateness and adequacy of the related presentation and disclosures relating to credit risk and ECL in the financial statements in accordance with applicable accounting and reporting standards

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Key audit matters	How our audit addressed the key audit matters
(b) Information Technology system for the financial reporting process	
The Company's lending operations and financial reporting processes are heavily dependent on information technology (IT) systems and manual IT dependent controls, which process large volumes of transactions on a daily basis. Key financial statement line items such as loans, interest income and impairment allowance on loans are calculated or derived through system-generated data. Given the pervasive reliance on IT systems, the design and operating effectiveness of IT general controls (ITGCs) and automated application controls are critical to the accuracy, completeness and integrity of financial reporting, this area required significant auditor attention. Accordingly, has been determined to be a key audit matter for the current year audit.	Our audit procedures with the involvement of auditor's IT specialists included, but were not limited to the following: ▪ Understood and evaluated the Company's IT environment including manual IT dependent controls, including ITGCs related to user access management, change management, and operations; ▪ Tested the design and operating effectiveness of key ITGCs and automated application controls including manual IT dependent controls relevant to financial reporting systems; ▪ Evaluated the completeness and accuracy of system-generated reports and testing key report logic used in auditing loans, interest income, and impairment allowance on loans; ▪ Where deficiencies were identified, we assessed compensating controls or performed alternative procedures to obtain sufficient appropriate audit evidence; and ▪ Obtained written representations from management on whether ITGCs and automated IT controls are designed and operating effectively during the year.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The 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.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

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Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

9. 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

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 management;

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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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.

12. 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.

13. 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.

14. 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.

Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 21 May 2024.

Report on Other Legal and Regulatory Requirements

16. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

17. 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.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

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d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

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

   i. As detailed in note 47 to the standalone financial statements, the Company does not have any pending litigation which would impact its financial position as at 31 March 2025;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025.

   iv.
      a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(f)(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

      b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(f)(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year ended 31 March 2025.

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vi. As stated in note 49 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on or after 1 April 2024, has used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been 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. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256
UDIN: 25095256BMOTGF8792

Place: Noida
Date: 23 May 2025

Annexure A referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Annapurna Finance Private Limited on the Standalone Financial Statements for the year ended 31 March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.

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

(b) The property, plant and equipment and relevant details of right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 11 to the standalone financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in Note 16 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹500 lakhs, by banks or financial institutions on the basis of security of current assets. Pursuant to the terms of the sanction letters, the Company is not required to file any quarterly return or statement with such banks or financial institutions.

(iii) The Company has not made investments in or granted any loans to companies, firms or limited liability partnerships during the year. The Company has also not provided any guarantee or security or granted any advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. Further, the Company has made investment in or granted secured and unsecured loans to other parties during the year, in respect of which:

(a) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

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

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Annexure A referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Annapurna Finance Private Limited on the Standalone Financial Statements for the year ended 31 March 2025

(c) The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular except for instances as below, as also disclosed under Note 8 to the standalone financial statements:

Particulars – Days Past Due	Aggregate amount outstanding for overdue loans as at 31 March 2025 (₹ in lakhs)	No. of Cases
SMA 0 (1- 30 days)	524	43,009
SMA 1 (31-60 days)	817	27,894
SMA 2 (61- 90 days)	1,461	27,265
More than 90 days	15,689	1,56,869

Having regard to the nature of business of the Company and volume of the transactions, it is impractical to furnish the item-wise listing for the above-mentioned cases of delay in repayment of principal and interest.

Further, in respect of loans granted by the Company as detailed below, the schedule of repayment of principal has not been stipulated and accordingly, we are unable to comment as to whether the repayments of principal are regular. Further, no interest is receivable on such loans.

Name of the Entity	Amount due (₹ in lakhs)	Remarks (if any)
Annapurna Employee Welfare Trust	237	There is no stipulation of schedule of repayment

(d) According to the information and explanations given to us, the total amount which is overdue for 90 days or more in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to ₹15,689 lakhs as at 31 March 2025 in respect of 1,56,869 number of loans, as also disclosed in Note 8 to the standalone financial statements. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

In the absence of stipulated schedule of repayment of principal in respect of loan mentioned in paragraph (c) above, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts.

(e) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

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(f) The Company has granted loan without specifying any terms or period of repayment, as per details below:

₹ in lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	237	-	237
Total (A+B)	237	-	237
Percentage of loans/advances in nature of loan to the total loans	0.03%	-	0.03%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

(v) The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,666	Nil	Assessment year (AY) 2017-18	Commissioner of Income Tax (Appeals)
Chapter V of the Finance Act, 1994	Service Tax	86	6	AY 2014-15	Customs, Excise and Service Tax Appellate Tribunal, East Zonal Bench, Kolkata

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(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix)

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

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

(b) During the year, the Company has made private placement of optionally convertible debentures. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanation given to us, no material fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except for multiple instances of cash embezzlement by its employees identified by the management during the year aggregating to ₹75 lakhs as mentioned in note 41.3 to the accompanying standalone financial statements. The Company has initiated necessary disciplinary action against the employees connected to such instances and ensured recovery of these amounts to the extent possible. The Company has recovered ₹8 lakhs from its employees and provided the unrecovered amount of ₹67 lakhs for during the year ended 31 March 2025.

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Annexure A referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Annapurna Finance Private Limited on the Standalone Financial Statements for the year ended 31 March 2025

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, 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 Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi)

(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

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

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

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

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Annexure A referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Annapurna Finance Private Limited on the Standalone Financial Statements for the year ended 31 March 2025

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

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

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256
UDIN: 25095256BMOTGF8792

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Noida
Date: 23 May 2025

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Annapurna Finance Private Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.

5. 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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

7. 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.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, 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 ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256
UDIN: 25095256BMOTGF8792

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Noida
Date: 23 May 2025

Walker Chandiok & Co LLP

Plot No. 19A, 2nd floor,
Sector - 16A,
Noida - 201 301
Uttar Pradesh, India

T +91 120 485 5999
F +91 120 485 5902

Independent Auditor's Additional Report for the year ended 31 March 2025 pursuant to the requirement of Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India

To
The Board of Directors
Annapurna Finance Private Limited
Plot No.1215/1401, Khandagiri Bari
Opposite Jayadev Vatika,
Bhubaneswar– 751 030

1. This report is issued in accordance with the terms of our engagement letter dated 11 September 2024 with Annapurna Finance Private Limited, (the 'Company') and requirements of the Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('the Auditor's Report Directions') issued by the Reserve Bank of India ('the RBI').

2. We have audited the accompanying standalone financial statements of the Company which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of material accounting policies and other explanatory information and have issued a unmodified opinion vide our report dated 23 May 2025.

Management's Responsibility for the financial statements

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

4. The management of the Company is also responsible for compliance with the Reserve Bank of India Act, 1934 ('the RBI Act'), Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('the NBFC Directions'), and other circulars and directions issued by the RBI thereunder and for providing all the required information to the RBI.

Auditor's Responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in paragraph 3 and 4 of the Auditor's Report Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended 31 March 2025 and examination of books of accounts and other records maintained by the Company for the year then ended.

6. We conducted our examination of the audited books of accounts other records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Opinion

8. Based on our audit of the standalone financial statements for the year ended 31 March 2025 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the management, we report that:

   a. The Company is engaged in the business of Non-Banking Financial Institution (not accepting or holding public deposits) and pursuant to section 45-I(a) of the RBI Act, requiring it to hold a Certificate of Registration ('CoR') under section 45-IA of the Act. The Company has obtained CoR no. B.04.00027 dated 06 March 2013 issued by the Bhubaneshwar Regional Office of the RBI.

   b. The Company is entitled to continue to hold such CoR in terms of its asset/income pattern as on 31 March 2025.

   c. The Company has met with the required net owned fund requirement as laid down in the NBFC Directions as on 31 March 2025.

   d. The Board of Directors of the Company in their meeting held on 30 April 2024 has passed a resolution for non-acceptance of any public deposits for the financial year 01 April 2024 to 31 March 2025.

   e. The Company has not accepted any public deposits during the year ended 31 March 2025.

   f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC Directions read with the RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on Implementation of Indian Accounting Standards dated 13 March 2020.

   g. The Company being a middle layer NBFC as defined in the NBFC Directions:

      i. The Company has correctly arrived at and disclosed the capital adequacy ratio (CRAR), in the provisional return submitted to the RBI in Form DNBS03 based on unaudited financial information for the year ended 31 March 2025. The Company, in its audited financial statements, has arrived at and disclosed the CRAR in accordance with RBI directions read with RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on Implementation of Indian Accounting Standards dated 13 March 2020 and such ratio is in compliance with the minimum CRAR prescribed by the RBI;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ii. The Company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (DNBS03) within the stipulated period.

h. The Company has been correctly classified as Non-Banking Financial Company - Micro Finance Institution ('NBFC MFI') as specified under paragraph 5.1.21 of the NBFC Directions.

Restriction on distribution or use

9. Our work was performed solely to assist you for compliance with Auditor's Report Directions by the Company. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have or may have had as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

10. This report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Auditor's Report Directions requiring us to submit a report on the additional matters as stated in the aforesaid directions and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Lalit Kumar
Partner
Membership No.: 095256
UDIN: 25095256BMOTGJ5575

Place: Noida
Date: 23 May 2025

Annapurna Finance Private Limited
Standalone Balance Sheet as at March 31, 2025

(In Rs. Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	4	31,185	25,936
(b) Bank balance other than (a) above	5	18,587	48,197
(c) Derivative financial instruments	6	990	1,620
(d) Receivables			
(i)Trade receivables	7	75	2
(e) Loans (refer note 40.1)	8	7,45,048	7,35,948
(f) Investments	9	27,974	19,998
(g) Other financial assets	9.1	59,954	50,428
Subtotal - financial assets (A)		**8,83,813**	**8,82,129**
(2) Non-financial assets			
(a) Current tax assets (net)	10.1	4,718	4,704
(b) Property, plant and equipment	11	3,158	2,853
(c) Other intangible assets	13	567	492
(d) Other non-financial assets	9.2	2,364	2,414
Subtotal - non- financial assets (B)		**10,807**	**10,463**
Total assets (A+B)		**8,94,620**	**8,92,592**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Derivative financial instruments	6	937	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		1,534	1,601
(c) Debt securities	15	45,468	87,787
(d) Borrowings (other than debt securities)	16	5,65,492	5,60,417
(e) Subordinated liabilities	17	86,041	46,264
(f) Other financial liabilities	17.3	25,471	34,385
Subtotal - financial liabilities (A)		**7,24,943**	**7,30,656**
(2) Non-financial liabilities			
(a) Provisions	18	1,339	1,112
(b) Deferred tax liabilities (net) (refer note 40.1)	10.2	2,607	1,104
(c) Other non-financial liabilities	17.4	554	507
Subtotal- non- financial liabilities (B)		**4,500**	**2,723**
Total liabilities (A+B)		**7,29,443**	**7,33,379**
(3) Equity			
(a) Equity share capital	19	10,157	10,154
(b) Instruments entirely equity in nature	20	300	300
(c) Other equity (refer note 40.1)	21	1,54,720	1,48,759
Subtotal - Equity (C)		**1,65,177**	**1,59,213**
Total liabilities and equity (A+B+C)		**8,94,620**	**8,92,592**

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar

Lalit Kumar
Partner
Membership No.: 095256

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Noida
Date: May 23, 2025

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

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrata Pradhan

Subrat Pradhan
Company Secretary

Satyajit Das

Satyajit Das
Chief Financial Officer

Place: Puri
Date: May 23, 2025

ANNAPURNA FINANCE PVT. LTD. * INDIA

Annapurna Finance Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2025

(In Rs. Lakhs unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
	Revenue from operations			
	(i) Interest income	22	1,80,719	1,64,779
	(ii) Fees and commission income	23.1	669	4
	(iii) Net gain on fair value changes	23.2	1,291	1,503
	(iv) Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	23.3	34,037	39,673
(I)	**Total revenue from operations**		**2,16,716**	**2,05,959**
(II)	Other income	24	1,610	1,135
(III)	**Total income (I + II)**		**2,18,326**	**2,07,094**
	Expenses			
	Finance costs	25	83,591	80,220
	Fees and commission expense		3,859	92
	Impairment on financial instruments	26	38,878	32,464
	Employee benefits expenses	27	58,397	43,671
	Depreciation, amortisation and impairment	28	1,741	1,623
	Other expenses	29	22,812	17,921
(IV)	**Total expenses**		**2,09,278**	**1,75,991**
(V)	**Profit before tax (III-IV)**		9,048	31,103
(VI)	**Tax expense:**			
	Current tax	10.3	283	169
	Deferred tax		1,841	7,692
(VII)	**Profit for the year (V-VI)**		**6,924**	**23,242**
(VIII)	**Other comprehensive income (OCI)**			
	A Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit liabilities		304	110
	Income tax relating to items that will not be reclassified to profit or loss		(77)	(28)
	Subtotal (A)		**227**	**82**
	B Items that will be reclassified to profit or loss			
	Changes in fair value of loans carried at FVTOC (refer note 40.1)		(44)	(6,143)
	Gain/(loss) on derivative instruments in cash flow hedge		(1,601)	(601)
	Changes in fair value of investments carried at FVTOCI		-	(4)
	Income tax relating to items that will be reclassified to profit or loss		415	1,699
	Subtotal (B)		**(1,230)**	**(5,049)**
	Other comprehensive loss (A+B)		**(1,003)**	**(4,967)**
(IX)	**Total comprehensive income for the year (VII)+(VIII)**		**5,921**	**18,275**
(X)	**Earnings per equity share (face value of Rs 10 each)**			
	Basic (Rs)	30	6.63	24.63
	Diluted (Rs)		6.35	20.64

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Noida
Date: May 23, 2025

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

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Place: Puri
Date: May 23, 2025

ANNAPURNA FINANCE PVT. LTD. INDIA

Annapurna Finance Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2025

(In Rs. Lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities			
Profit before tax		**9,048**	**31,103**
Adjustments for:			
Depreciation, amortisation and impairment	28	1,741	1,623
Impairment on financial instruments	26	38,878	32,796
Profit on sale of property, plant and equipment	24	(2)	(3)
Profit on sale of current investments	23.2	(1,291)	(1,503)
Share based payments to employees	27	28	32
Interest income	22	(1,80,719)	(1,64,779)
Finance cost	25	83,591	80,220
		(57,774)	**(51,614)**
Operational cash flows from interest:			
Interest income received		1,76,472	1,62,697
Finance cost paid		(87,431)	(81,995)
		89,041	**80,702**
Movements in working capital:			
Changes in bank balance other than cash and cash equivalents		29,610	35,838
Changes in trade receivables		(73)	(2)
Changes in loans		(41,931)	(1,52,908)
Changes in other financial and non financial liabilities		(8,575)	6,206
Changes in provisions		227	(211)
Changes in trade payables		(67)	(235)
		(27,468)	**(1,20,456)**
Income tax paid (net of refunds)		(293)	(702)
Net cash flows generated from / (used in) operating activities (A)		**12,554**	**(60,967)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,487)	(1,543)
Proceeds from sale of property, plant and equipment		34	41
Purchase of other intangible assets		(339)	(409)
Purchase of current investments		(5,23,436)	(3,92,635)
Proceeds from sale of current investments		5,17,714	3,83,307
Investment in other investments		(6,007)	-
Net cash flows used in investing activities (B)		**(13,521)**	**(11,239)**
Cash flows from financing activities			
Proceeds from issuance of equity share capital (including securities premium)		64	115
Proceeds from debt securities		4,200	14,108
Repayment of debt securities		(45,401)	(52,815)
Repayment of interest portion of lease liabilities		(71)	(67)
Repayment of principal portion of lease liabilities		(221)	(188)
Proceeds from borrowings (other than debt securities)		3,81,522	4,29,087
Repayment of borrowings (other than debt securities)		(3,73,877)	(3,82,377)
Proceeds of subordinated liabilities		40,000	22,000
Repayment of subordinated liabilities		-	(7,400)
Net cash flows generated from financing activities (C)		**6,216**	**22,463**
Net change in cash and cash equivalents (A+B+C)		**5,249**	**(49,743)**
Cash and cash equivalents at the beginning of the year		25,936	75,679
Cash and cash equivalents at the end of the year		**31,185**	**25,936**
Components of cash and cash equivalents at the end of the year			
On current accounts		28,983	24,234
Deposit with original maturity of less than three months		1,567	1,120
Cash on hand		635	582
Total cash and cash equivalents at the end of the year		**31,185**	**25,936**

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Noida
Date: May 23, 2025

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

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Place: Puri
Date: May 23, 2025

ANNAPURNA FINANCE PVT. LTD. * INDIA

Annapurna Finance Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2025

(In Rs. Lakhs unless otherwise stated)

a. Equity share capital (Refer Note 19)

Current reporting period

Balance at the beginning of April 01, 2024	Changes during the year	Balance at the end of March 31, 2025
10,154	3	10,157

Previous reporting period

Balance at the beginning of April 01, 2023	Changes during the year	Balance at the end of March 31, 2024
8,813	1,341	10,154

b. Instruments entirely equity in nature (Refer Note 20)

Current reporting period

Balance at the beginning of April 01, 2024	Changes during the year	Balance at the end of March 31, 2025
300	-	300

Previous reporting period

Balance at the beginning of April 01, 2023	Changes during the year	Balance at the end of March 31, 2024
300	-	300

b. Other equity (Refer Note 21)

	Reserves and Surplus				Other Comprehensive Income			
Particulars	**Statutory reserve (as required by Sec 45-IC of Reserve Bank of India Act, 1934)**	**Securities premium**	**Shares options outstanding account**	**Retained earnings**	**Fair value of loans and advances (Refer Note 40.1)**	**Gain/(loss) on derivative instruments in cash flow hedge**	**Changes in fair value of investments carried at FVTOCI**	**Total**
Balance as at April 1, 2023	**5,202**	**73,674**	**1,292**	**20,283**	**5,378**	**(326)**	**-**	**1,05,503**
Profit for the year	-	-	-	23,242	-			23,242
Other comprehensive income	-	-	-	82	(4,596)	(450)	(3)	(4,967)
Total comprehensive income for the year	**-**	**-**	**-**	**23,324**	**(4,596)**	**(450)**	**(3)**	**18,275**
Transfer to/from retained earnings	4,648	-	-	(4,648)	-	-	-	-
Issue of shares		24,938	-	-	-	-	-	24,938
Share based payment	-	-	32	-	-	-	-	32
ESOP exercised	-	59	(48)	-	-	-	-	11
Balance as at March 31, 2024	**9,850**	**98,671**	**1,276**	**38,959**	**782**	**(776)**	**(3)**	**1,48,759**
Profit for the year	-	-	-	6,924	-			6,924
Other comprehensive income	-	-	-	227	(32)	(1,198)	-	(1,003)
Total comprehensive income for the year	**-**	**-**	**-**	**7,151**	**(32)**	**(1,198)**	**-**	**5,921**
Transfer to/from retained earnings	1,385	-	-	(1,385)	-	-	-	-
Share based payment	-	-	28	-	-	-	-	28
ESOP excercised	-	60	(48)	-	-	-	-	12
Balance as at March 31, 2025	**11,235**	**98,731**	**1,256**	**44,725**	**750**	**(1,974)**	**(3)**	**1,54,720**

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Noida
Date: May 23, 2025

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

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Place: Puri
Date: May 23, 2025

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'). Additionally, the Company is also engaged in providing credit facility to small business segement and individuals primiarily focused on semi-urban and urban markets.

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 23, 2025.

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
Investment in Security Receipts	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.

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.

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.

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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 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

A. Revenue from operations

(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.
- 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 expected 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 recognises revenue from contract with customers based on five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount.Revenue is measured based on the consideration specified in the contract with customers and is recognized overtime as the performance obligation is satisified.

(d) Others

Cheque bouncing charges, late payment charges, foreclosure charges are recognised on a point-in-time basis and are recorded when realised since the probability of collecting such monies is established when the customer pays.

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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.

(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.

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.

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.

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 straight line method at the rates arrived based on the useful lives of the assets, prescribed under Schedule II of the Act. 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 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). Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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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 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.

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 lease term. 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

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.

3.10 Provisions and contingent liabilities

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.Provisions and contingent liabilities 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, except trade receivables recorded at transaction price. 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.

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(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.

(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, including from realization of any collateral. 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 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.

3.14 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 Cash Flow Statements
The standalone cash flow statement is prepared in accordance with the Indirect method. Standalone cash flow statement presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

3.17 New and amended standards
The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 1 April 2024:

a) Amendments to Ind AS 116 - Lease liability in a sale and leaseback
The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of Use asset it retains.

b) Introduction of Ind AS 117
MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Standalone Financial Statements.

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, 2025, 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, 2025 (In Rs. Lakhs unless otherwise stated)

Note 4: Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	635	582
Balances with banks	28,983	24,234
Fixed deposit with original maturity of less than 3 months	1,567	1,120
Total	**31,185**	**25,936**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 5: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed deposit with original maturity of more than 3 months		
Fixed deposit with banks*	13,767	22,809
Other term deposits	3,415	22,575
Interest accrued on fixed deposits	1,405	2,813
Total	**18,587**	**48,197**

* Secured against borrowings, OD accounts, Business correspondence and cash collateral placed in connection with portfolio loans securitised.

Note 6: Derivative financial instruments

	As at March 31, 2025				As at March 31, 2024			
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	28,320	570	-	-	26,191	585	8,334	(123)
(ii) Other								
Cross currency interest rate swaps	57,245	420	59,479	(937)	12,540	1,035	13,242	(79)
Total Derivatives financial instruments	**85,564**	**990**	**59,479**	**(937)**	**38,731**	**1,620**	**21,577**	**(202)**

PART II

Included in above are derivatives held for hedging and risk management as follows								
(i) Cashflow hedging								
Cross currency interest rate swaps	57,245	420	59,479	(937)	12,540	1,035	13,242	(79)
Cross currency swaps	28,320	570	-	-	26,191	585	8,334	(123)
Total derivatives financial instruments	**85,564**	**990**	**59,479**	**(937)**	**38,731**	**1,620**	**21,577**	**(202)**

The Company enters into derivative contracts for risk management purposes. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

Note 7: Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables considered good- unsecured	75	2
Total	75	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, 2025

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	75	-	-	-	-	75
(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, 2024

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	-	-	-	-	-	-

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(In Rs. Lakhs unless otherwise stated)

Note 8: Loans

Particulars	As at March 31, 2025			As at March 31, 2024		
	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	88,856	655,359	744,215	55,483	678,152	733,635
Credit impaired	6,655	14,303	20,958	3,069	18,841	21,910
Total term loans	**95,510**	**669,662**	**765,173**	**58,552**	**696,993**	**755,545**
ii) Others (staff loan and others)	533	-	533	475	-	475
Total (A) - Gross	**96,043**	**669,662**	**765,706**	**59,027**	**696,993**	**756,020**
Less: Impairment loss allowance	2,251	18,407	20,658	2,251	17,821	20,072
Total (A) - Net	**93,793**	**651,255**	**745,048**	**56,776**	**679,172**	**735,948**
Term loans						
i) Secured by tangible assets *	10,680	32,313	42,993	1,695	33,525	35,220
ii) Cover by government guarantee	19,250	483,356	502,606	223	91,901	92,124
iii) Unsecured	65,580	153,994	219,574	56,634	571,567	628,201
Sub-total - Term loans	**95,510**	**669,662**	**765,173**	**58,552**	**696,993**	**755,545**
Staff loan and others						
i) Secured	-	-	-			-
ii) Unsecured	533	-	533	475	-	475
Sub-total - Staff loan and others	**533**	**-**	**533**	**475**	**-**	**475**
Total (B) - Gross	**96,043**	**669,662**	**765,706**	**59,027**	**696,993**	**756,020**
Less : Impairment loss allowance	2,251	18,407	20,658	2,251	17,821	20,072
Total (B) - Net	**93,793**	**651,255**	**745,048**	**56,776**	**679,172**	**735,948**
Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	96,043	669,662	765,706	59,027	696,993	756,020
Total - Gross	**96,043**	**669,662**	**765,706**	**59,027**	**696,993**	**756,020**
Less: Impairment loss allowance	2,251	18,407	20,658	2,251	17,821	20,072
Total - Net	**93,793**	**651,255**	**745,048**	**56,776**	**679,172**	**735,948**
Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-
Total (C)	93,793	651,255	745,048	56,776	679,172	735,948

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.

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, 2025			As at March 31, 2024		
	Amortised cost	At fair value Through other comprehensive income	Total	Amortised cost	At fair value Through other comprehensive income	Total
Opening provision	2,251	17,822	20,072	3,325	15,072	18,397
Add: Impairment provision created during the year (Refer note 26)	1,390	34,472	35,862	12,709	14,947	27,656
Less: Loan portfolio written off during the year	(742)	(34,535)	(35,276)	(13,783)	(12,197)	(25,980)
Closing provision	**2,899**	**17,758**	**20,658**	**2,251**	**17,822**	**20,072**

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at April 1, 2024	**724,635**	**9,000**	**21,910**	**755,545**
Add: New assets originated during the year	881,997	-	-	881,997
Less: Collections	(828,263)	(291)	(8,538)	(837,092)
Less: assets written off during the year	-	-	(35,276)	(35,276)
Movement between stages				
Transfer from stage 1	(45,184)	10,506	34,678	-
Transfer from stage 2	77	(8,302)	8,225	-
Transfer from stage 3	40	-	(40)	-
Gross carrying value of assets as at March 31, 2025	**733,302**	**10,913**	**20,958**	**765,173**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2024	**3,350**	**1,596**	**15,126**	**20,072**
New assets originated during the year	4,410	-	-	4,410
Net Provision remeasured during the year	(3,207)	2,985	31,675	31,453
Assets written off during the year	-	-	(35,276)	(35,276)
Movement between stages				
Transfer from stage 1	(226)	53	173	-
Transfer from stage 2	18	(1,933)	1,915	-
Transfer from stage 3	28	-	(28)	-
ECL allowance as at March 31, 2025	**4,372**	**2,702**	**13,585**	**20,658**

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at April 1, 2023	**620,447**	**4,319**	**25,836**	**650,602**
Add: New assets originated during the year (net of collections)	552,348	-	-	552,348
Less: Collections	(418,981)	(538)	(1,906)	(421,425)
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	**724,635**	**9,000**	**21,910**	**755,545**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2023	**1,594**	**599**	**16,204**	**18,397**
New assets originated during the year	2,541	-	-	2,541
Net Provision remeasured during the year	(754)	1,470	24,399	25,115
Assets written off during the year	-	-	(25,980)	(25,980)
Movement between stages				
Transfer from stage 1	(136)	37	98	-
Transfer from stage 2	37	(510)	473	-
Transfer from stage 3	68	-	(68)	-
ECL allowance as at March 31, 2024	**3,350**	**1,596**	**15,126**	**20,072**

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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:

Scenario	Conditions	ECL provision as per model	+/- from normal case
Extreme scenario	100% probability of high stress	26,830	6,172
Low stress scenario	0% probability of high stress	15,734	(4,924)
1% Increase in PD		20,771	113
1% Increase in LGD		20,996	338

High-stress and low-stress scenarios are one standard deviation(+/- 1 SD) change in the macroeconomic variables. In the MFI, variables are population (% change), general government structural balance national currency (% change), manufacturing value added and observed rainfall. For MSME, variables are GDP per capita current prices, agriculture, forestry, and fishing, value added, manufacturing value added, and services value added.

Details of overdue amounts receivable from loan portfolio as of the reporting period:

Particulars – Days Past Due	As at March 31, 2025		As at March 31, 2024	
	Amount	No. of Cases	Amount	No. of Cases
SMA 0 (1- 30 days)	524	43,009	350	30,032
SMA 1 (31-60 days)	817	27,894	649	22,899
SMA 2 (61- 90 days)	1,461	27,265	963	21,440
More than 90 days	15,689	156,869	14,875	118,281

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.

Note 9: Investments

	As at March 31, 2025				As at March 31, 2024			
	Cost	Fair value through OCI	Fair value through P&L	Total	Cost	Fair value through OCI	Fair value through P&L	Total
Investment								
(1) Equity instruments								
(a) Investment in subsidiary 49,98,000 (March 31, 2024: 49,98,000) equity shares of Rs. 10 each fully paid in Annapurna SME Finance Private Limited	500	-		500	500	-		500
(2) Investments in Government Securities								
(a) Treasury bills		18,425		18,425		10,446		10,446
(3)Others								
(a)Investment in Security receipts (SRs)			9,049	9,049			9,052	9,052
	500	**18,425**	**9,049**	**27,974**	**500**	**10,446**	**9,052**	**19,998**
Above amount includes								
Investment in India	500	18,425	9,049	27,974	500	10,446	9,052	19,998
Investment outside India	-	-	-	-	-	-	-	-
Total	**500**	**18,425**	**9,049**	**27,974**	**500**	**10,446**	**9,052**	**19,998**

Note 9.1: Other financial assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2025	As at March 31, 2024
Insurance claim receivable (Gross)	2,445	1,741
Less: Impairment loss allowance (refer note below)	(1,369)	(1,070)
	1,076	671
Security deposits	553	626
Retained interest on assets assigned	41,819	43,528
Fixed deposit with financial institutions*	1,975	1,858
Other financial assets- others**	7,650	3,709
Receivable from financial guarantees$	6,881	36
Total	**59,954**	**50,428**

*Deposit with finanical institution marked as lien towards term loans availed.

** includes receivables from assignor's of purchased portfolio amounting to ₹4,487 lakhs and relief receivable under Assam Microfinance Incentive and Relief Scheme, 2021 amounting to ₹1,950 lakhs.

$The Company has availed the benefits of credit guarantee fund trust for micro and small enterprises (CGTMSE) and credit guarantee fund for micro units (CGFMU) scheme to secure credit default.

Note: Movement in the allowance for Insurance claim receivable for the year ended 31 March 2025 and 31 March 2024 is as follows:

Particulars	31-Mar-25	31-Mar-24
Opening balance at beginning of the year	1,070	1,161
Provisions made during the year	363	130
Bad debts written off during the year	(64)	(221)
closing balance at end of the year	**1,369**	**1,070**

Note 9.2:Other non- financial assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1,476	1,480
Capital advance	159	295
Other Advances *	-	142
Goods and Service Tax receivable	729	497
Total	**2,364**	**2,414**

*includes advances to vendor

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Notes to the Standalone financial statements for the year ended March 31, 2025

(In Rs. Lakhs unless otherwise stated)

Note 10.1:
Current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax includes TDS (net of provision)	4,718	4,704

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

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets / (liabilities):		
Difference of carrying value of property, plant and equipment ("PPE")	544	474
Provision for employee benefits	667	574
Impairment loss allowance on loan portfolio	6,411	6,473
Impact due to amortization of processing fees income	1,322	1,514
Business loss c/f	-	1,815
Upfront recognition of gain on direct assignment transactions	(10,690)	(11,120)
Impact due to amortization of processing fees expenses	(1,265)	(729)
Others	404	(104)
Deferred tax relating to origination and reversal of temporary differences (net of liabilities)	(2,607)	(1,104)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax expense in the statement of profit and loss consists of:		
Current income tax:		
Income tax	283	169
Deferred tax	1,842	7,692
Total income tax expense reported in the statement of profit or loss	2,125	7,861

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 2025 and 31 March 2024 are, as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax	9,048	31,103
At India's statutory income tax rate of 25.17%	2,277	7,829
Adjustment for non deductible expenses/ (allowable expenses/ deduction)		
Deduction under section of 80JJAA of Income Tax Act, 1961	(221)	-
Expenditure disallowed under Income Tax Act, 1961	69	32
Income tax expense reported in the statement of profit or loss	2,125	7,861

Movement in deferred tax balances for the year ended March 31, 2025

Particulars	Net balance April 1, 2024	(Charge)/ Credit in profit and loss	Recognised in OCI	Net balance March 31, 2025	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/ (liabilities)						
Difference of carrying value of PPE	474	70	-	544	544	-
Provision for employee benefits	574	170	(77)	667	667	-
Impairment loss allowance on loan portfolio	6,473	(62)	-	6,411	6,411	-
Impact of amortisation of expense, offered to tax on upfront basis	(729)	(536)	-	(1,265)	-	(1,265)
Impact of amortisation of processing fee income, offered to tax on upfront basis	1,514	(192)	-	1,322	1,322	-
Gain on direct assignment deals, accounted for upfront, offered to tax on accrual basis	(11,120)	430	-	(10,690)	-	(10,690)
Business loss c/f	1,815	(1,815)	-	-	-	-
Others	(104)	93	415	404	404	-
Net deferred tax assets / (liabilities)	(1,104)	(1,842)	338	(2,607)	9,348	(11,955)

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

Particulars	Net balance April 1, 2023	(Charge)/ Credit in profit and loss	Recognised in OCI	Net balance March 31, 2024	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/ (liabilities)						
Difference of carrying value of PPE	394	80	-	474	474	-
Provision for employee benefits	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)
Business loss c/f	8,260	(6,445)	-	1,815	1,815	-
Others	(1,767)	(36)	1,699	(104)	-	(104)
Net deferred tax assets / (liabilities)	4,917	(7,692)	1,671	(1,104)	10,850	(11,953)

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Note 11: Property, plant and equipment

Particulars	Freehold land	Office equipment	Furniture and fixtures	Vehicles	Computers	Right of use assets (Building)	Total
Gross block							
As at April 1, 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	8,419
Additions	-	345	540	-	603	327	1,814
Disposals	-	(9)	(23)	-	(2)	-	(34)
As at March 31, 2025	14	2,627	2,585	214	3,328	1,431	10,199
Accumulated depreciation:							
As at April 1, 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
Depreciation charge for the year	-	332	336	18	555	236	1,477
Disposal		-	-	-	-	-	-
As at March 31, 2025	-	2,032	1,359	174	2,685	791	7,042
Net carryig amount:							
As at March 31, 2024	14	589	1,045	58	598	549	2,853
As at March 31, 2025	14	595	1,226	40	644	640	3,158

The details of property, plant and equipment hypothecated against borrowings are presented in Note 15.

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.

The Company has not revalued its property, plant and equipment's (including right-of-use assets) during the current or previous year.

Note 12: Leases

As a lessee:

The Company's significant leasing arrangements are in respect of operating leases of office premises. The branch office premises are generally rented on term of eleven months. The head office & regional office premises have been obtained on a lease term of 3-10 years with an annual escalation clause of 5%-10%. The Company has applied short term lease exemption where the period of lease is less than 12 months.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	612	587
Additions during the year	327	213
Accretion of interest	70	67
Payments	(292)	(255)
Closing balance	717	612

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

Particulars	As at March 31, 2025	As at March 31, 2024
Interest expense on lease liabilities	70	67
Expense relating to short-term leases (included in other expenses)	3,026	2,448
Depreciation expense on right of use assets	236	214
Total amount recognised in the statement of profit and loss	3,332	2,729

The following is the maturity profile of lease liability:

Maturity of lease liability	As at March 31, 2025	As at March 31, 2024
Current	233	175
Non current	484	437
Total	717	612

The details of the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2025			As at March 31, 2024		
	less than 1 year	1-5 years	More than 5 years	less than 1 year	1-5 years	More than 5 years
Lease liability	295	539	7	175	428	10
Total	295	539	7	175	428	10

The total cash outflow for leases is INR 3,318 lakhs (March 31, 2024: INR 2,703 lakhs), including cash outflow for short term leases

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Notes to the Standalone financial statements for the year ended March 31, 2025

(In Rs. Lakhs unless otherwise stated)

Note 13: Intangible assets

Particulars	Computer software
Gross block	
As at April 1, 2023	1,579
Additions	408
Disposals	-
As at March 31, 2024	1,987
Additions	340
Disposals	-
As at March 31, 2025	2,327
Accumulated amortisation:	
As at April 1, 2023	1,157
Amortisation charge for the year	339
Disposal	-
As at March 31, 2024	1,495
Amortisation charge for the year	264
Disposal	-
As at March 31, 2025	1,759
Net book value:	
As at March 31, 2024	492
As at March 31, 2025	567

The Company has not revalued its intangible assets during the current or previous year.

Note 14:Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,534	1,601
Total	1,534	1,601

Trade payables ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due dates of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	-	-	-	-	-
(II) Others	1,534	-	-	-	1,534
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due dates of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	-	-	-	-	-
(II) Others	1,601	-	-	-	1,601
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

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

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting	-	-
(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	-	-

(In Rs. Lakhs unless otherwise stated)

Note 15: Debt securities

Particulars	As at March 31, 2025			As at March 31, 2024		
	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)*	25,723	-	25,723	52,497	-	52,497
Redeemable Non- convertible Debentures (unsecured)**	3,950	-	3,950	19,489	-	19,489
Compulsorily Convertible Debentures (Unsecured)##		15,795	15,795		15,801	15,801
Total	**29,673**	**15,795**	**45,468**	**71,986**	**15,801**	**87,787**
Debt securities in India	2,800	-	2,800	10,893	-	10,893
Debt securities outside India	26,873	15,795	42,668	61,093	15,801	76,894
Total	**29,673**	**15,795**	**45,468**	**71,986**	**15,801**	**87,787**

* Redeemable non- convertible debentures (secured)

Terms of debentures	Number of debentures		Face value	Amount in Lakhs	
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
11.50% Secured Redeemable, Non - Convertible Debentures of face value of Rs.1,00,000 each redeemable at par by the end of twenty four months from the date of allotment i.e. Sept 25, 2023 in 8 quaterly installments	5,000	5,000	100,000	1,250	3,750
12.00% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each 99.99% redeemable at the end of 36 months from the date of allotment i.e. November 2, 2023, and remaining at the end of 60 months from the date of allotment.	5,382	5,382	100,000	5,382	5,382
11.45% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 0.01 lakhs each 99.99% redeemable at the end of 36 months from the date of allotment i.e. November 4, 2022, and remaining at the end of 60 months from the date of allotment.	46,874	46,874	10,000	4,687	4,687
11.25% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each 99.99% redeemable at the end of 36 months from the date of allotment i.e. December 24, 2024, and remaining at the end of 60 months from the date of allotment.	4,200	-	100,000	4,200	-
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. #	1,500,000	1,500,000	100	1,500	1,500
11.42% 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	1,000,000	750	750
13.88% Seniorly 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	1,000,000	2,200	2,200
14.52% 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	1,000,000	5,000	5,000
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	100,000	-	695
14.6% 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. The said debt securities repaid during current year.	-	400	1,000,000	-	4,000
14.33% 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. The said debt securities repaid during current year.	-	370	1,000,000	-	3,700
14.01% 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. The said debt securities repaid during current year.	-	460	1,000,000	-	4,600
12.56% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 7.50 lakhs each redeemable at par at the end of forty eight months from the date of allotment i.e.Mar 30, 2021.		600	750,000	-	4,500
BSE Sensex Rate Secured Redeemable, Non - Convertible Debentures of face value of Rs. 10 lakhs each redeemable at par at the end of 22 months from the date of allotment i.e. September 27, 2022.	-	350	1,000,000	-	3,500
11.87% Secured Redeemable, Non - Convertible Debentures of face value of Rs. 1lakh each 99.99% redeemable at the end of 36 months from the date of allotment i.e. December 20, 2021, and remaining at the end of 60 months from the date of allotment. The said debt securities were repaid during current year.	-	6,330	100,000	-	6,330
EIR adjustments				754	1,903
Total				25,723	52,497

Notes to Non convertible debentures (Secured)

The above debt securities are secured by the way of first and exclusive charge over eligible specified book debts

\# In addition to the first and exclusive charge over eligible specified book debts, the said debt security is additionally secured by way of creation of pari-passu charge on the immovable property.

** Redeemable non- convertible debentures (Unsecured)

Terms of debentures	Number of debentures		Face value	Amount in Lakhs	
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
11.90% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each 99.99% redeemable at the end of 20 months from the date of allotment i.e. Sept 13, 2023, and remaining at the end of 48 months from the date of allotment i.e. Sept 13, 2023.	3,726	3,726	100,000	3,726	3,726
10% Unsecured Redeemable, Non - Convertible Debentures of face value of Rs. 1 lakh each 99.99% redeemable at the end of 20 months from the date of allotment i.e. November 4, 2022, and remaining at the end of 44 months 4 days from the date of allotment i.e. November 4, 2022.	-	4,076	100,000	-	4,076
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	250,000	-	1,500
12.164% 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	1,000,000	-	3,000
12.11% 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	1,000,000	-	7,000
EIR adjustments				224	187
Total				3,950	19,489

Notes to Debt Securities

(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.

 # Compulsorily Convertible Debentures (Unsecured)

Terms	Number of CCD		Face value	Amount in Lakhs	
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
15% Cumulative Compulsorily Convertible Debentures of face value of Rs. 10 each	150,000,000	150,000,000	10.00	15,000	15,000
EIR adjustments				795	801
Total				15,795	15,801

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 (Eighty four months from the date of allotment i.e. November 23, 2021).

Voluntary Conversion

Without prejudice to the mandatory conversion events, 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 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.

Basis of conversion: Each CCD shall convert into maximum number of equity shares equal to subscription amount divided by the IPO Conversion Price or Exit Conversion Price, as defined in the agreement.

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(In Rs. Lakhs unless otherwise stated)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans (secured)*		
Banks	368,361	392,663
Financials institutions	39,325	65,680
Non banking financial companies	13,455	40,227
External commercial borrowings	131,150	45,641
Term loans (unsecured)		
External commercial borrowings	13,200	15,758
Borrowings from Securitisation arrangement (secured)		
Securitisation transactions	-	448
Total	**565,492**	**560,417**
Borrowings in India	421,142	499,018
Borrowings outside India	144,350	61,399
Total	**565,492**	**560,417**

*Term loans are secured by way of first and exclusive charge over eligible specified book debts / loan assets and margin money deposits. These secured term loans are repayable in equated instalments carrying interest rate ranging from 8.60% to 11.70% (March 31, 2024: 5.15% to 12.75%).

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.

Note 17:Subordinated liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Indian Rupee term loan		
Subordinate debt (unsecured)- debentures*	71,330	46,264
Subordinate debt (unsecured)- OCD#	14,711	-
Total	**86,041**	**46,264**
Borrowings in India	66,479	27,312
Borrowings outside India	19,561	18,952
Total	**86,041**	**46,264**

*Subordinate debt NCDs are repayable in bullet payment carrying interest rate ranging from 12.00% to 14.59% p.a. (March 31, 2024: 12.25% to 14.59% 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.

#Each debenture having a face value of Rs.100 lakhs each shall be converted at the option of holder into equity shares as defined in the agreement. Conversion shall be done at 2.35x of the audited price-to-book of the Company for the immediately preceding quarter, or as may be mutually agreed between the parties. OCD's are unsecured and carry an interest of 14% per annum and if not converted required to be redeemed on expiry of 6 (six) years from the date of allotment (i.e., May 2024).

Utilisation of Debt securities, Borrowings other than debt securities and Subordinated liabilities
Term loans were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

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Note 17.1 Terms of repayment of Debt securities, Borrowings other than debt securities and subordinate liabilities as on March 31, 2025

(In Rs. Lakhs unless otherwise stated)

Original maturity of loan	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	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount (in Rupees)	
Monthly																
0-3 Yrs	8.95%-11.65%	741	174,942	337	87,036	53	12,156	-	-	-	-	-	-	-	-	274,134
Above 3 Yrs			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Total	-	741	174,942	337	87,036	53	12,156	-	-	-	-	-	-	-	-	274,134
Quarterly																
0-3 Yrs	9.80%-12.40%	130	101,498	35	29,425	-	-	-	-	-	-	-	-	-	-	130,923
Above 3 Yrs	-		-	-		-	-	-	-	-	-	-	-	-	-	-
Quarterly Total	-	130	101,498	35	29,425	-	-	-	-	-	-	-	-	-	-	130,923
Half Yearly																
0-3 Yrs	8.60%-1067%	14	13,541	9	8,994	-	-			-	-	-	-	-	-	22,535
Above 3 Yrs	-	1	1,579	2	2,432	2	2,432	2	2,432	2	2,432	1	1,216			12,523
Half Yearly Total	-	15	15,119	11	11,426	2	2,432	2	2,432	2	2,432	1	1,216	-	-	35,058
Part redemption																
0-3 Yrs	9.82%-9.95%	-	100	-	-	9	91,870	-	-	-	-	-	-	-	-	91,971
Above 3 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Part redemption Total	-	-	100	-	-	9	91,870	-	-	-	-	-	-	-	-	91,971
Bullet																
0-3 Yrs.	9.80%-14.59%	8	36,373	6	20,857	7	10,776	-	-	-	-	-	-	-	-	68,006
Above 3 Yrs.	11.25%-14.52%	-	698	-	-	2	9,477	2	6,924	6	31,652	2	29,673	-	-	78,424
Bullet Total	-	8	37,071	6	20,857	9	20,253	2	6,924	6	31,652	2	29,673	-	-	146,430
Grand Total	-	894	328,730	389	148,743	73	126,712	4	9,356	8	34,085	3	30,889	-	-	678,515

Note 17.2 Terms of repayment of Debt securities, Borrowings other than debt securities and subordinate liabilities as on March 31, 2024

Original maturity of loan	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 instalments	Amount	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%-12.03%	1,015	180,815	425	93,886	76	16,403	-	-	-	-	-	-			291,104
Above 3 years		17	2,743	24	3,818	24	3,818	4	594	-	-	-	-			10,973
Monthly total		1,032	183,558	449	97,704	100	20,221	4	594	-	-	-	-			302,077
Quarterly																
0-3 years	9.55%-12.20%	175	130,149	83	62,404	13	7,647	-	-	-	-	-	-			200,200
Above 3 years		-	-	-	-	-	-	-	-	-	-	-	-			-
Quarterly total		175	130,149	83	62,404	13	7,647	-	-	-	-	-	-			200,200
Half yearly																
0-3 years	9.68%-12.35%	10	17,386			-	-	-	-	-	-	-	-			17,386
Above 3 years		-	369	1	1,220	2	2,440	2	2,440	2	2,440	2	2,440	1	1,220	12,569
Half yearly total		10	17,755	1	1,220	2	2,440	2	2,440	2	2,440	2	2,440	1	1,220	29,955
Annually																
0-3 years		-	-	-	-	-	-	-	-	-	-	-	-			-
Annually total		-	-	-	-	-	-	-	-	-	-	-	-			-
Bullet																
0-3 years	9.8%-14.6%	10	22,902	5	19,300	10	27,957	-	-	-	-	-	-			70,159
Above 3 years	11.33%-14.52%	-	1,565	4	19,344			10	23,690	2	6,945	4	21,829			73,373
Bullet total		10	24,467	9	38,644	10	27,957	10	23,690	2	6,945	4	21,829			143,532
Grand total		1,227	355,928	542	199,972	125	58,265	16	26,724	4	9,385	6	24,269	1	1,220	675,764

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Note 17.3:Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Insurance premium payable	457	804
Employee dues	2,314	2,918
Payable towards assignment transactions	20,855	29,516
Other financial liabilities - Other payable*	1,127	535
Lease liability for Right of use assets	717	612
Total	**25,471**	**34,385**

* consists of payable to vendors

Note 17.4:Other non-financial liablities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	554	507
Total	554	507

Note 18:Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
Leave encashment and availment- Compensated absences	1,339	1,112
Total	1,339	1,112

Note 19: Equity Share Capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
11,39,00,000 (March 31, 2024: 11,39,00,000) equity shares of Rs.10/- each	11,390	11,390
2,51,00,000 (March 31, 2024: 2,51,00,000) preference shares of Rs.10/- each	2,510	2,510
	13,900	**13,900**
Issued and subscribed		
10,56,71,490 (March 31, 2024: 10,56,33,990) equity shares of Rs.10/- each	10,567	10,563
30,00,000 (March 31, 2024: 30,00,000) compulsorily convertible preference shares ("CCPS") of Rs.10/- each	300	300
	10,867	**10,863**
Fully paid up		
10,15,37,478 (March 31, 2024: 10,14,99,978) equity shares of Rs.10/- each	10,154	10,150
30,00,000 (March 31, 2024: 30,00,000) preference shares of Rs.10/- each	300	300
	10,454	**10,450**
Partly paid up		
41,34,012 (March 31, 2024: 41,34,012) equity shares of Rs.0.09/- each	4	4

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

Particulars	In Nos.	Amount #
As at April 1, 2023	**92,227,855**	**8,813**
Issued during the year	13,406,135	1,341
As at March 31, 2024	**105,633,990**	**10,154**
Issued during the year	37,500	3
As at March 31, 2025	**105,671,490**	**10,157**

\# includes proportinate amount received against the partly paid-up shares

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	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	8,000,546	7.57%	8,000,546	7.57%
Oman India Joint Investment Fund II	13,940,628	13.19%	18,048,942	17.09%
Nuveen Global Impact Fund India S.A.R.L	13,351,410	12.63%	13,351,410	12.64%
Piramal Alternatives Trust (Piramal)	11,857,708	11.22%	NA	NA
Asian Development Bank	9,768,652	9.24%	11,688,702	11.07%
Belgian Investment Company for Developing Countries NV - SA	7,359,015	6.96%	9,527,723	9.02%
Oikocredit Ecumenical Development Cooperative Society U.A.	7,099,118	6.72%	9,191,233	8.70%
ESF Holdings II	6,565,371	6.21%	6,565,371	6.22%
Societe De Promotion Et De Participation Pour La Cooperation Economique S.A.	5,970,985	5.65%	5,970,985	5.65%
Women's World Banking Capital Partners, LP	NA	NA	5,800,000	5.49%
CCPS of Rs. 10 each fully paid				
Pratap Chandra Dash on behalf of AIDS Awareness Trust of Orissa	3,000,000	100.00%	3,000,000	100.00%

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.

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity share holders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the investors at their sole discretion have the option to receive an amount equal to 100% of each investor's aggregate investment amount after distribution of all creditors and preferential amounts. Thereafter, the promoters and promoter shareholders other than the investor shall receive pro-rata distribution of all their entire subscription amounts in proportion to their shareholding in the Company. Remaining surplus, if any shall be distributed to all equity shareholders on a pro rata basis.

Rights, preferences and restrictions attached to preference shares

Compulsorily convertible preference shares ('CCPS') were issued at par in month 2015 and each share is convertible by its holder into one equity share of par value Rs.10/- at any time on or time before 30 September 2025. the holders of these shares are entitled to a cummulative dividend of 0.0001%.

The CCPS carries all voting rights that are statutorily permissible for the preference shares. Each CCPS shall carry voting rights proportionate to the number of equity shares that such CCPS would have converted into, at the relevant time. The Equity Shares issued upon conversion of the CCPS shall carry voting rights that are pari passu to other ordinary fully paid up Equity Shares of the Company.

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 35.1 and 35.2.

Shareholding of promoters

Sl. No.	Promoter's name	As at March 31, 2025		% change during the year	As at March 31, 2024		% change during the year
		No of shares	% of total shares		No of shares	% of total shares	
1	Gobinda Chandra Pattanaik	8,000,546	7.57%	0.00%	8,000,546	7.57%	0.00%
2	Dibyajyoti Pattanaik	1,719,805	1.63%	0.00%	1,719,805	1.63%	0.00%

Information regarding issue of shares in the last five years

a. The Company has not issued any bonus shares.
b. The Company has not undertaken any buyback of shares.

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Instruments entirely equity in nature

Particulars	As at March 31, 2025	As at March 31, 2024
Compulsorily convertible preference shares (30,00,000 preference shares (March 31, 2024: 30,00,000 preference shares) of Rs 10 each fully paid up)	300	300
Total	**300**	**300**

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

Particulars	In No.	Amount
As at March 31, 2023	**3,000,000**	**30,000,000**
Issued during the year	-	-
As at March 31, 2024	**3,000,000**	**30,000,000**
Issued during the year	-	-
As at March 31, 2025	**3,000,000**	**30,000,000**

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. Each holder is entitled to 1 equity share against coversion of a CCPS (1:1)

Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve	11,235	9,850
Securities premium	98,731	98,671
Share options outstanding account	1,256	1,276
Retained earnings	44,725	38,959
Other comprehensive income	(1,227)	3
Total	**154,720**	**148,759**

Statutory reserve (As required by Sec 45-IC of the Reserve Bank of India Act, 1934)	Amount
Balance as at April 1, 2023	**5,202**
Transfer from retained earnings	4,648
Balance as at March 31, 2024	**9,850**
Transfer from retained earnings	1,385
Balance as at March 31, 2025	**11,235**

Securities premium	Amount
Balance as at April 1, 2023	**73,674**
Issue of shares	24,938
ESOP exercised	59
Balance as at March 31, 2024	**98,671**
ESOP exercised	60
Balance as at March 31, 2025	**98,731**

Share options outstanding account	Amount
Balance as at April 1, 2023	**1,292**
Amortisation of vesting expenses of employee stock option plan	32
ESOP exercised	(48)
Balance as at March 31, 2024	**1,276**
Amortisation of vesting expenses of employee stock option plan	28
ESOP exercised	(48)
Balance as at March 31, 2025	**1,256**

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Notes to the Standalone financial statements for the year ended March 31, 2025

Retained Earnings	Amount
Balance as at April 1, 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	**38,959**
Profit for the year	6,924
Other comprehensive income	227
Transfer to statutory reserve	(1,385)
Balance as at March 31, 2025	**44,725**

Other items of Comprehensive Income (Fair valuation on loans portfolio and hedging)	Amount
Balance as at April 1, 2023	**5,052**
Other comprehensive loss	(5,049)
Balance as at March 31, 2024	**3**
Other comprehensive loss	(1,230)
Balance as at March 31, 2025	**(1,227)**

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.

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.

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.

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.

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, fair value of derivative contracts designated as cashflow hedges and fair value of investment in government securities on T-bills. 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 account and derivative instruments are settled. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

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Note 22: Interest income

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	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	165,939	9,907	175,846	151,282	7,159	158,441
Interest income on fixed deposits	-	3,877	3,877	-	6,168	6,168
Interest income on treasury bills	966	-	966	119	-	119
Interest income on others	-	31	31	-	51	51
Total	**166,905**	**13,814**	**180,719**	**151,401**	**13,378**	**164,779**

Note 23.1: Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loan portfolio servicing fees	669	4
Total	**669**	**4**

Note 23.2: Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on financial instruments at fair value through profit or loss	1,291	1,503
Total	**1,291**	**1,503**
Total fair value changes:		
- Realised	1,291	1,503
- Unrealised		
Total	**1,291**	**1,503**

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	34,037	39,673
Total	**34,037**	**39,673**

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

Note 24: Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on derecognition of property, plant and equipment	2	3
Charges collected	924	977
Miscellaneous income	684	155
Total	**1,610**	**1,135**

Note 25: Finance costs

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	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	6,769	2,244	9,013	10,558	2,256	12,814
Interest on borrowings other than debt securities	62,737	-	62,737	61,866	-	61,866
Interest on subordinated liabilities	9,509	1,933	11,442	5,211	-	5,211
Interest on lease liabilities	70	-	70	67	-	67
Other borrowing costs	327	-	327	262	-	262
Total	**79,413**	**4,177**	**83,591**	**77,964**	**2,256**	**80,220**

Note 26: Impairment of Financial instruments

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	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)	34,472	1,390	35,862	12,709	16,734	29,443
Less: Receivable under guarantee schemes	(6,515)	(49)	(6,564)	-	-	-
less: Recovery of bad debts written off	(1,797)	-	(1,797)	(332)	-	(332)
Net impairment recognised	26,159	1,341	27,500	12,377	16,734	29,111
Impairment on others	3,384	-	3,384	-	-	-
Impairment on insurance receivable	-	363	363	-	130	130
Impairment on investments in SRs	7,631	-	7,631	3,223	-	3,223
Total	**37,174**	**1,704**	**38,878**	**27,977**	**33,598**	**32,464**

Note 27: Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	52,312	38,783
Contributions to provident fund and other funds	3,088	2,620
Gratuity expense (refer note 33)	442	546
Expenses on employee stock option plan (refer note 35.1 and 35.2)	28	32
Staff welfare expenses	2,527	1,690
Total	**58,397**	**43,671**

* The Company has claimed grants from National Apprenticeship Training Scheme (NATS) for Rs. 241.07 lakhs (March 31, 2024: 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.

Note 28: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	1,249	1,284
Amortisation on intangible assets	492	339
Total	**1,741**	**1,623**

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Note 29: Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent, taxes and energy costs	5,157	3,893
Office maintenance	1,319	847
Office expenses	1,292	1,324
Director fees, allowance and expenses	41	31
Travelling and conveyance	7,319	6,423
Communication expenses	486	427
Printing and stationery	560	693
Legal and professional fees	2,855	1,727
Auditor's fees and expenses (refer note 29.1 below)	161	223
Insurance	75	75
Advertisement	21	24
Training and meeting expenses	1,710	589
Corporate social responsibility expenses (refer note 29.2 below)	268	128
Bank Charges	1,295	1,238
Miscellaneous expense	254	279
Total	22,812	17,921

Note 29.1: Auditor's fees and expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to auditor's towards (excluding taxes):		
Audit fee	144	191
Certification fees	10	23
Reimbursement of expenses	7	9
Total	161	223

Note 29.2: Corporate social responsibility

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
(a) Amount required to be spent by the Company during the year	243	46
(b) Amount approved by the Board to be spent during the year	301	156
(c) Amount spent during the year		
(i)Construction/ acquisition of any assets	-	-
(ii)On purposes other than (i) above	268	128
(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

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.

Note 30: Earnings per share

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net profit after tax as per the statement of profit and loss	6,924	23,242
Weighted average number of shares considered in basic earnings per share (Nos.)	104,433,784	94,357,105
Add: Impact of dilutive potential equity shares	4,601,923	18,248,301
Weighted average number of shares considered in dilutive earnings per share (Nos.)	109,035,707	112,605,406
Earnings per share		
Basic earnings per share (Rs.)	6.63	24.63
Diluted earnings per share (Rs.)	6.35	20.64
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 one 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 and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer aggregates to 10% or more of the Company's total revenue during the year ended March 31, 2025 or March 31, 2024.

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:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Securitisations		
Carrying amount of transferred assets measured at FVOCI	-	448
measured at amortised cost)	-	448
Fair value of transferred assets	-	448
Fair value of associated liabilities	-	448
Net position at fair value	-	-

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Note 33 Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹200 lakhs as per the provision of the payment of Gratuity Act, 1972 (as amended from time to time). The gratuity plan is funded. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

33.1 Reconciliation of net defined benefit liability

Particulars	As at March 31, 2025	As at March 31, 2024
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	2,203	1,706
Current service cost	463	546
Interest cost	151	126
Past service cost	-	-
Benefits settled	(143)	(86)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	(287)	(240)
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	169	153
Obligation at the end of the year	2,556	2,203
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	2,250	1,297
Interest income on plan assets	172	126
Re-measurement- actuarial gain / (loss)	13	13
Return on plan assets recognised in other comprehensive income	-	-
Contributions	500	902
Benefits settled	(143)	(86)
Plan assets at the end of the year, at fair value	2,793	2,250
Net defined benefit (assets)/liabilities	(237)	(47)

The company expects to contribute ₹480 lakhs (March 31, 2024: ₹559 lakhs) to gratuity in the next financial year

33.2 Expense recognised in statement of profit or loss

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	463	546
Interest cost	151	126
Interest income	(172)	(126)
Net gratuity cost	442	546

33.3 Re-measurement recognised in other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(287)	(240)
- Changes in financial assumptions	169	153
Re-measurement of the net defined benefit asset		
Return on plan assets (greater) / less than discount rate	(13)	13
Total Actuarial (gain)/ loss included in OCI	(132)	(75)

33.4 Plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Funds managed by insurer (LIC, HDFC Life Insurance, Kotak life insurance and ICICI Prudential Life Insurance)	100%	100%

33.5 Defined benefit obligation - Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.34%	7.10%
Future salary growth	7.00%	7.00%
Expected Rate of Return on Plan Assets	6.34%	7.10%
Attrition rate	29% per annum	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)	29.27	28.71

33.6 Sensitivity analysis

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	2,478	2,639	1,963	2,503
Future salary growth (1% movement)	2,633	2,481	2,486	1,972
Attrition rate (1% movement)	2,539	2,572	2,197	2,217
Mortality rate (10% movement)	2,557	2,554	2,204	2,202

Above sensitivity analysis is based on a change in assumption specified in the table above while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

33.7 Expected payment for future years

Particulars	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	515	94
Between 2 and 5 years	1,321	20
Between 5 and 10 years	598	65
Total expected payments	2,434	179

The weighted average duration of defined benefit obligation is 3.26 (March 31, 2024: 4.34)

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(In Rs. Lakhs unless otherwise stated)

Note 34: Related party transactions

Name of the related parties (as per Ind AS 24)

Relationship	Name of the party
(i) Key management personnel	Mr. Gobinda Chandra Pattanaik - Managing Director Mr. Dibyajyoti Pattanaik - Director Mr. Ashok Ranjan Samal- Independent Director Mr. Govinda Rajulu Chintala, Independent Director Mr. Prateek Shrivastava, Independent Director (from June 12, 2024) Mr. Mecherimadam Ramakrishnan Venkiteswaran - Nominee Director Ms. Radhika Jayant Sharoff - Nominee Director Mr. Abhishek Agarwal - Nominee Director Mr. Sunit Vasant Joshi - Nominee Director Mr. Ajay Bhaskar Limaye - Nominee Director Mr. Naval Jawaharlal Totla, Nominee Director (from May 07, 2024) Mr. Pramod Kumar Vijayvargia, Nominee Director (from January 02, 2025) Mr. K.K. Tiwary- Independent Director (Ceased on June 05, 2024) Mr. Sean Leslie Nossel - Independent Director (Ceased on June 05, 2024) Ms. Christina Stefanie Juhasz, Nominee Director (Ceased on June 10, 2024) Mr. R.V. Dilip Kumar , Nominee Director (Ceased on May 07, 2024) Mr. Arup Kumar - Nominee Director (Ceased on Jauary 02, 2025) Mr. Guillaume Accarain -Nominee Director (Ceased on May 31, 2024) Mr. Satyajit Das - Chief Financial Officer Mr. Subrata Pradhan, Company Secretary
(ii) Subsidiary Company	Annapurna SME Finance Private Limited
(iii) Controlled Entity	Annapurna Employees Welfare Trust (the 'Trust')

Related Party transactions during the year:

Particulars	For the year ended March 31. 2025	For the year ended March 31. 2024
(i) Key management personnel		
Salary, incentives and perquisites (Refer Note (a) below)		
Mr. Gobinda Chandra Pattanaik	461	379
Mr. Dibyajyoti Pattanaik	218	168
Mr. Satyajit Das	204	148
Mr. Subrata Pradhan	81	51
	964	**747**
Sitting fees paid		
Mr. Ashok Ranjan Samal	17	14
Mr.K.K. Tiwary	5	8
Mr. Sean Leslie Nossel	5	5
Mr. Govinda Rajulu Chintala	6	4
Mr. Prateek Shrivastava	8	
	41	**31**
(ii) Other related party transactions		
Loan given to Trust	57	584
Loan repayment received from Trust	-	502

Outstanding balances at the year end:	Asat 31 March 2025	Asat 31 March 2024
(i) Trust		
Loan receivable	237	180
(ii) KMPs		
Other financial liabilities		
Mr. Gobinda Chandra Pattanaik	12	9
Mr. Dibyajyoti Pattanaik	5	4
Mr. Satyajit Das	5	4
Mr. Subrata Pradhan	1	1

Note:

a) 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.

b) All transactions with related parties are priced at arm's length and are in the ordinary course of business. All outstanding balances are to be settled in cash and are unsecured.

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Note 35.1 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 - 1	Grant - 2
Date of grant	01 July 2017	01 July 2018
Date of board approval	30 November 2016	30 November 2016
Number of options granted	10,90,477	18,17,461
Method of settlement	Equity	Equity
Graded vesting	Graded vesting of the option in equal proportion over a period of 3 years from grant date	
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, 2025 (No. of options)	March 31, 2024 (No. of options)
Outstanding at the beginning of the year	856,200	879,200
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	28,900	23,000
Outstanding at the end of the year	827,300	856,200
Exercisable at the end of the year	827,300	856,200
Weighted average remaining contractual life of options (years)	-	-
Weighted average share price during the exercise period (Rs.)	41	41

Grant 2

Description	March 31, 2025 (no. of options)	March 31, 2024 (no. of options)
Outstanding at the beginning of the year	381,200	390,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	8,600	8,800
Outstanding at the end of the year	372,600	381,200
Exercisable at the end of the year	372,600	381,200
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.

(In Rs. Lakhs unless otherwise stated)

Note 35.2 Employees stock option plan (ESOP)

The Company had provided share-based payment schemes to its key management personnel. Details of the options granted are as under:

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	816,214	416,119	2,083,304
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

The detail of the plans have been summarised below:

Series A

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of options	Exercise price (Rs.)	No. of options	Exercise price (Rs.)
Outstanding at the beginning and closing of the year	816,214	2.50	816,214	2.50
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	816,214	2.50	816,214	2.50
Exercisable at the end of the year	816,214	2.50	816,214	2.50

Series B

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of options	Exercise price (Rs.)	No. of options	Exercise price (Rs.)
Outstanding at the beginning and closing of the year	2,499,423	5.00	2,499,423	5.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,499,423	5.00	2,499,423	5.00
Exercisable at the end of the year	2,499,423	5.00	2,499,423	5.00

Note 36 Asset liability management:

Particulars	As at 31 March 2025			As at 31 March 2024		
	Assets		Liabilities	Assets		Liabilities
	Loans	Investments*	Borrowings	Loans	Investments *	Borrowings
1 to 7 days	11,851	2,038	1,726	14,503	11,977	6,012
8 to 14 days	13,329	6,174	4,642	15,894	5,703	6,605
15 days to 30 / 31 days	11,135	13,386	26,975	13,544	8,103	16,495
1 to 2 months	43,976	3,147	32,975	37,885	8,339	31,997
2 to 3 months	41,424	1,981	30,679	38,010	769	34,721
3 to 6 months	117,443	4,753	91,438	117,324	4,032	96,739
6 months to 1 year	213,497	10,434	141,584	211,439	8,083	165,981
1 to 3 years	270,431	5,844	277,379	271,516	14,616	259,088
3 to 5 years	8,683	1,846	58,657	5,412	-	51,280
Over 5 years	13,279	-	30,945	10,423	9,549	25,551
Total	**745,048**	**49,603**	**697,001**	**735,948**	**71,171**	**694,468**

*including fixed deposits

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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.

Particulars	Within 12 months	After 12 months	Total
As at March 31, 2025			
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	31,185	-	**31,185**
(b) Bank balance other than (a) above	17,467	1,120	**18,587**
(c) Derivative financial instruments	203	787	**990**
(d) Receivables			
(i) Trade receivables	75	-	**75**
(e) Loans	452,655	292,393	**745,048**
(f) Investments	20,941	7,033	**27,974**
(g) Other financial assets	33,939	26,015	**59,954**
Subtotal - Financial assets (A)	**556,466**	**327,347**	**883,813**
(2) Non-financial Assets			
(a) Current tax assets (net)	-	4,718	**4,718**
(b) Property, plant and equipment	-	3,158	**3,158**
(c) Intangible assets	-	567	**567**
(d) Other non-financial assets	2,362	2	**2,364**
Subtotal - Non- financial assets (B)	**2,362**	**8,445**	**10,807**
Total Assets (A+B)	**558,828**	**335,792**	**894,620**
Liabilities			
(1) Financial liabilities			
(a) Derivative financial instruments	-	937	**937**
(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	1,534		**1,534**
(c) Debt securities	15,155	30,313	**45,468**
(d) Borrowings (other than debt securities)	299,662	265,830	**565,492**
(e) Subordinated liabilities	15,204	70,837	**86,041**
(f) Other financial liabilities	24,936	535	**25,471**
Subtotal - Financial liabilities (A)	**356,491**	**368,452**	**724,943**
(2) Non-financial liabilities			
(a) Provisions	963	376	**1,339**
(b) Other non-financial liabilities	554	-	**554**
(c) Deferred tax liabilities (net)	-	2,607	**2,607**
Subtotal - Non - financial liabilities (B)	**1,517**	**2,983**	**4,500**
Total Liabilities (A+B)	**358,008**	**371,435**	**729,443**

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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	771	849	**1,620**
(d) Receivables			
(i) Trade receivables	2	-	**2**
(e) Loans	448,597	287,351	**735,948**
(f) Investments	10,446	9,552	**19,998**
(g) Other financial assets	28,322	22,106	**50,428**
Subtotal - Financial assets (A)	**515,299**	**366,829**	**882,129**
(2) Non-financial Assets			
(a) Current tax assets (net)	-	4,704	**4,704**
(c) Property, plant and equipment	-	2,853	**2,853**
(d) Intangible assets	-	492	**492**
(e) Other non-financial assets	2,309	105	**2,414**
Subtotal - Non- financial assets (B)	**2,309**	**8,154**	**10,463**
Total Assets (A+B)	**517,608**	**374,984**	**892,592**
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			
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	1,601	-	**1,601**
(c) Debt securities	29,001	58,785	**87,787**
(d) Borrowings (other than debt securities)	327,850	232,567	**560,417**
(e) Subordinated liabilities	338	45,926	**46,264**
(f) Other financial liabilities	34,209	175	**34,385**
Subtotal - Financial liabilities (A)	**393,000**	**337,656**	**730,656**
(2) Non-financial liabilities			
(a) Provisions	528	584	**1,112**
(b) Other non-financial liabilities	507	-	**507**
(c) Deferred tax liabilities (net)	-	1,104	**1,104**
Subtotal - Non - financial liabilities (B)	**1,035**	**1,688**	**2,723**
Total Liabilities (A+B)	**394,035**	**339,344**	**733,379**

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Note 38: Changes in liability arising from financing activities

Particulars	As at April 1, 2024	Interest for the year	Cash flows, net	Non-cash adjustments	As at March 31, 2025
Debt securities	87,787	9,013	(51,499)	167	45,468
Borrowings other than debt securities	560,417	62,737	(58,586)	923	565,492
Subordinated liabilities	46,264	11,442	29,098	(763)	86,041
Lease liabilities	612	70	(292)	327	717
Total liabilities from financing activities	**695,080**	**83,263**	**(81,279)**	**654**	**697,718**

Particulars	As at April 1, 2023	Interest for the year	Cash flows, net	Non-cash adjustments	As at March 31, 2024
Debt securities	153,007	12,814	(51,841)	(26,193)	87,787
Borrowings other than debt securities	519,133	61,866	(17,042)	(3,540)	560,417
Subordinated liabilities	32,714	5,211	9,491	(1,152)	46,264
Lease liabilities	587	67	(255)	280	612
Total liabilities from financing activities	**705,441**	**79,958**	**(59,647)**	**(30,605)**	**695,080**

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 .

As at March 31, 2025	Carrying amount			
	FVTPL	FVTOCI	Amortised cost	Total
(1) Financial assets				
(a) Cash and cash equivalents	-	-	31,185	31,185
(b) Bank balance other than (a) above	-	-	18,587	18,587
(c) Derivative financial instruments	-	990	-	990
(d) Receivables				-
(i) Trade receivables	-	-	75	75
(e) Loans		651,255	93,793	745,048
(f) Investment	9,049	18,425	-	27,474
(g) Other financial assets	41,819	-	18,135	59,954
Total - financial assets	**50,868**	**670,670**	**161,775**	**883,313**
(2) Financial liabilities				
(a) Derivative financial instruments	-	937	-	937
(b) 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	-	-	1,534	1,534
(c) Debt securities	15,795	-	29,673	45,468
(d) Borrowings (other than debt securities)	-	-	565,492	565,492
(e) Subordinated liabilities	14,711	-	71,330	86,041
(f) Other financial liabilities	-	-	25,471	25,471
Total - financial liabilities	**30,506**	**937**	**693,499**	**724,943**

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	-	-	2	2
(e) Loans		679,172	56,776	735,948
(f) Investment	9,052	10,446	500	19,998
(g) Other financial assets	43,528	-	6,900	50,428
Total - financial assets	**52,580**	**691,238**	**138,311**	**882,129**
(2) Financial liabilities				
(a) Derivative financial instruments	-	202	-	202
(b) 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	-	-	1,601	1,601
(c) Debt securities	15,801	-	71,986	87,787
(d) Borrowings (other than debt securities)	-	-	560,417	560,417
(e) Subordinated liabilities	-	-	46,264	46,264
(f) Other financial liabilities	-	-	34,385	34,385
Total - financial liabilities	**15,801**	**202**	**714,653**	**730,656**

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, 2025

Financial assets (measured at fair value)	Fair value		
	Level 1	Level 2	Level 3
Loans	-	-	651,255
Retained interest on assets assigned	-	-	41,819
Investments	18,425	9,049	
Derivative financial instruments	-	990	-
Total	18,425	10,039	693,074

As at March 31, 2024

Financial assets (measured at fair value)	Fair value		
	Level 1	Level 2	Level 3
Loans	-	-	679,172
Retained interest on assets assigned	-	-	43,528
Investments	10,446	9,052	-
Derivative financial instruments	-	1,620	-
Total	10,446	10,672	722,700

As at March 31, 2025

Financial liabilities (measured at fair value)	Fair value		
	Level 1	Level 2	Level 3
Derivative financial instruments	-	937	-
Borrowings	-	30,506	-
Total	-	31,443	-

As at March 31, 2024

Financial liabilities (measured at fair value)	Fair value		
	Level 1	Level 2	Level 3
Derivative financial instruments	-	202	-
Borrowings	-	15,801	-
Total	-	16,003	-

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 table summarizes the valuation techniques used for instruments categorized in Levels 2 and 3 including significant unobservable inputs used for level 3 instrument.

Type	Valuation technique	Significant unobservable inputs
Loans	The scheduled future cashflows are discounted using the rate near to the reporting date of the comparable product.	Discount rate used to compute the present value of the future expected cash flows
Investment in security receipts	Net Asset value of the underlying investment declared by the trust	NA
Derivative financial instruments	Derivatives are fair valued using observable inputs / rates	NA
Retained interest on assets assigned	Expected cashflows from the assigned portfolio are discounted using the interest rate near to the reporting date of comparable product	Discount rate used to compute the present value of the future expected cash flows

Sensitivity analysis

Particulars	Equity, net of tax	
	As at 31 March 2025	
	Increase	Decrease
Interest rates (1% Movement)		
Loans	(2,202)	3,931
Retained interest on assets assigned	(321)	296

Note 40: 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.

Regulatory capital	As at March 31, 2025	As at March 31, 2024
Tier 1 Capital	163,134	156,655
Tier 2 Capital	82,501	52,927
Total capital	245,635	209,582
Risk weighted assets	829,533	823,505
Tier 1 CRAR	19.67%	19.02%
Tier 2 CRAR	9.95%	6.43%
Total capital ratio	29.61%	25.45%

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.

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Note 40.1: During the year ended 31 March 2025, a refinement in the valuation methodology for the loan portfolio has been implemented to align with the requirements of IND-AS 109. In accordance with the principles of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", prior period adjustments have been recorded in the comparative financial information presented in the Statement to recognize the impact of accrued interest on fair valuation of the loan portfolio and the consequential impact on income tax expense. However, these adjustments have no impact on key performance indicators like profit after tax, earnings per share, and capital adequacy ratio.

Pursuant to the impact of aforesaid adjustments, the restated numbers for comparative periods resulted in decrease in loans by ₹9,004 lakhs, deferred tax liabilities by ₹2,266 lakhs and other equity by ₹6,738 lakhs as of 31 March 2024 and change in total comprehensive income / (loss) [net of deferred tax effect] by ₹(523) lakhs for the year ended 31 March 2024.

Note 41: Additional information required by Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, as amended from time to time.

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 (D)
2.	Investments			Refer note 9
3.	Derivatives			
	i)	Forward rate agreement / Interest rate swap		The Company has entered into cross currency interest rate swaps (refer note 6, 16 and 41.4)
	ii)	Exchange traded interest rate (IR) derivatives		
	iii)	Disclosures on risk exposure in derivatives		The Company has no unhedged foreign currency exposure as on March 31, 2025 and March 31, 2024.
	iv)	Forward rate agreement/interest rate swap		
4.	Disclosures relating to securitisation and assignment transactions undertaken by NBFCs			Refer note no. 41 (E.1) & (E.2)
5.	Details of non-performing financial assets purchased / sold			
	i)	Details of non-performing financial assets purchased		NIL
	ii)	Details of non-performing financial assets sold		Refer note no. 41 (E.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		Refer note no. 41 (C)
	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 holding or parent Company.
9	Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the NBFC			NA
10	Unsecured advances			Refer note no. 41 (F)
11	Miscellaneous			
	i)	Registration obtained from other financial sector regulators		Refer note no. 41 (H)
	ii)	Disclosure of penalties imposed by RBI and other regulators		No penalties were imposed by RBI and other regulators during the current and previous year.
	iii)	Related party transactions		Refer note no. 34
	iv)	Ratings assigned by credit rating agencies and migration of ratings during the year		Refer note no. 41 (I)
	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 (I)
	ii)	Draw down from reserves		There has been no draw down from reserves during the year ended March 31, 2025 (March 31, 2024 : Nil).
	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 deposit taking NBFC.
		b)	Concentration of advances	Refer note no. 41 (J)
		c)	Concentration of exposure	Refer note no. 41 (K)
		d)	Concentration of NPAs	Refer note no. 41 (L)
		e)	Sector-wise NPAs	Refer note no. 41 (M)
		f)	Movement of NPAs	Refer note no. 41 (N)
	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, 2025 and March 31, 2024.
13.	Disclosure of complaints			Refer note no. 41 (O)

C) Exposure to real estate sector

Particulars	As at March 31, 2025	As at March 31, 2024
i) Direct exposure		
a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	37,304	31,156
b) Commercial Real Estate - Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted etc.). Exposure would also include non-fund based (NFB) limits	2,648	1,582
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	-	-
Total Exposure to Real Estate Sector	39,952	32,738

D) Capital to Risk-Assets ratio (CRAR)

	Particulars	March 31, 2025	March 31, 2024
i)	CRAR (%)	29.61%	24.66%
ii)	CRAR - Tier I capital (%)	19.67%	21.78%
iii)	CRAR - Tier II capital (%)	9.95%	2.88%
iv)	Amount of subordinated debt raised as Tier - II capital	40,000	32,875
v)	Amount raised by issue of perpetual debt instruments	-	15,000

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(In Rs. Lakhs unless otherwise stated)

E.1) Disclosure under Master Direction - Reserve Bank of India (Securtisation of Standard Assets) Directions, 2021 dated September 24, 2021

		Particulars	March 31, 2025	March 31, 2024
1		No of SPVs sponsored by the NBFC for securitisation transactions	-	1
2		Total amount of securitised assets as per books of the SPVs sponsored by the NBFC as on the balance sheet date	-	448
3		Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet	-	1,357
	a)	Off-balance sheet exposures		
		• First loss	-	-
		• Others	-	-
	b)	On-balance sheet exposures		
		• First loss	-	557
		• Others	-	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	-	-

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

Particulars	March 31, 2025	March 31, 2024
Numbers of loans assigned	688,920	554,609
Aggregate value of accounts sold	340,445	307,615
Aggregate consideration	306,400	276,853
Portfolio loan assigned and outstanding as at the year end	329,374	279,597
Income from direct assignment recognised in the statement of profit and loss	34,037	39,673

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

E.3) The details of stressed loans transferred to ARC and investment made in security receipts (SRs) during the year ended March 31, 2025.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
i) No. of accounts	74,423	-
ii) Aggregate principal outstanding of loans transferred	18,659	-
iii) Weighted average residual tenor of the loans transferred (in months)	9	-
iv) Net book value of loans transferred (at the time of transfer)	8,459	-
v) Aggregate consideration	6,915	-
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 *	6,016	-

Details of recovery rating assigned for security receipts as on March 31, 2025.

Recovery Rating Scale	Implied recovery	Gross Value	Impairment allowance	Carrying Value
RR5	Upto 25%	33,144	30,095	3,049
Not rated*	N/A	6,000	0	6,000

* Yet to be rated within timelines as per applicable rbi regulation

F) Unsecured Advances

Particulars	March 31, 2025	March 31, 2024
Portfolio loans	219,574	628,201

G) 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.

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

Particulars	As at 31 March, 2025	As at 31 March, 2024
Term loans	CRISIL A- (Positive) CARE A-(Stable) ICRA A- Stable	CRISIL A- (Positive) CARE A-(Positive) ICRA A- Stable
Non convertible debentures		
RespA+ Karvy 60 crores	CRISIL A- {STABLE}	CRISIL A- {STABLE}
RespA+Triple Jump	CRISIL A- {STABLE}	CRISIL A- {STABLE}
Symbiotic V	CARE A-(Stable)	CARE A-(Positive)
ADB	UNRATED	UNRATED
Karvy	CRISIL A- {STABLE}	CRISIL A- {STABLE}
Vivriti	CARE A-(Stable)	CARE A-(Positive)
Triodos-3	CARE A-(Stable)	CARE A-(Positive)
CDC	CARE A (CE)	CARE A (CE)
Symbiotics VII (sub debt)	CARE A-(Stable)	CARE A-(Positive)
Global Access Fund LP	Unrated	Unrated
Blue orchard-VIII [MEF]	CARE A-(Stable)	CARE A-(Positive)
Blue orchard VII [Covid 19]	CARE A-(Stable)	CARE A-(Positive)
Symbiotics IX	ICRA A- Stable	ICRA A- Stable
Global Access Fund LP	Unrated	Unrated
RespA V	CARE A-(Stable)	CARE A-(Positive)
Triodos IV	CARE A-(Stable)	CARE A-(Positive)
Triple Jump-IV	ICRA A-(Stable)	ICRA A-(Stable)
Northern Arc	PP-MLD ICRA A-(Stable)	PP-MLD 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)	ICRA A-(Stable)
Philip SD-(Tr-II) NCD	ICRA A-(Stable)	ICRA A-(Stable)
Symbiotics XII NCD	ICRA A-(Stable)	ICRA A-(Stable)
Northern Arc Sundram NCD	CARE A-(Stable)	CARE A-(Positive)
Symbiotic XIII NCD	ICRA A-(Stable)	ICRA A-(Stable)
Phillip SD II Rs 100 Cr	ICRA A-(Stable)	ICRA A-(Stable)

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Notes to the Standalone financial statements for the year ended March 31, 2025

(In Rs. Lakhs unless otherwise stated)

I) **Provisions and Contingencies**

	Break up of provisions and contingencies shown under the head expenditure in profit and loss account		March 31, 2025	March 31, 2024
i)	Provision made towards income tax (including adjustment for deferred tax)		2,124	7,861
ii)	Payment made against the securitised/ managed portfolio		3,384	-
iii)	Other provision and contingencies			
	a)	Provision for gratuity	442	546
	b)	Provision for leave benefit	876	646
	c)	Provision for insurance claims	363	130
	d)	Provision towards security receipts	7,631	3,223
iv)	Provision towards NPA (stage III)		(1,542)	(1,078)
v)	Provision towards standard assets (Stage I and Stage II)		2,128	2,753

J) **Concentration of advances**

Particulars	March 31, 2025	March 31, 2024
Total advances to twenty largest borrowers *	480	412
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.06%	0.05%

* Represents amount outstanding as per contract with customers

K) **Concentration of exposures**

Particulars	March 31, 2025	March 31, 2024
Total exposure to twenty largest borrowers / customers *	487	419
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	0.06%	0.05%

L) **Concentration of NPAs**

Particulars	March 31, 2025	March 31, 2024
Total exposure to top four NPA accounts	66	59

M) **Sector-wise NPAs**

Sector	March 31, 2025			March 31, 2024		
	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	**645,608**	**25,706**	**3.98%**	**721,825**	**21,011**	**2.91%**
2. Industry						
i) Retail Stores	113,945	1,800	1.58%	54,863	674	1.23%
ii) Business	185,972	11,020	5.93%	164,839	3,677	2.23%
iii)Others	57,187	788	1.38%	25,527	381	1.49%
Total of Industry (i+ii+iii+Others)	**357,105**	**13,608**	**3.81%**	**245,229**	**4,732**	**1.93%**
3. Services						
i) Service	62,294	2,510	4.03%	37,571	2,927	7.79%
ii) E-vehicle	150	2	0.00%	4	-	0.00%
Others		-		-	-	0.00%
Total of Services (i+ii+Others)	**62,443**	**2,511**	**4.02%**	**37,575**	**2,927**	**7.79%**
4. Personal Loans				-		
i) Consumption Loans	4,262	62	1.45%	3,232	67	2.07%
ii)House Construction/ Renovation	21,843	1,688	7.73%	23,743	758	0.00%
Others	0	0	-	17	10	56.89%
Total of Personal Loans (i+ii+...+Others)	**26,104**	**1,750**	**6.71%**	**26,992**	**834**	**3.09%**
5. Others	-	-	-	-	-	-

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

	Particulars		March 31, 2025	March 31, 2024
i)	Net stage 3 (NPAs) to net advances (%)#		0.99%	0.91%
ii)	Movement of gross stage 3 (NPAs)			
	a)	Opening balance	21,910	25,841
	b)	Additions during the year	34,324	22,050
	c)	Reductions during the year (represents loan portfolio written-off)	(35,276)	(25,980)
	d)	Closing balance	20,958	21,910
iii)	Movement of net stage 3 (NPAs)			
	a)	Opening balance	6,784	9,636
	b)	Additions during the year	590	(2,853)
	c)	Reductions during the year	-	-
	d)	Closing balance	7,373	6,784
iv)	Movement of provisions for stage 3 (NPAs) (excluding provisions on standard assets)			
	a)	Opening balance	15,126	16,204
	b)	Provisions made during the year	33,735	24,903
	c)	Write-off / write-back of excess provisions	(35,276)	(25,980)
	d)	Closing balance	13,585	15,126

* refers to Stage III loans

\# Net stage III (NNPA) loans (%) = (Stage III loans - Impairment allowance on Stage III loans)/(Gross loan assets - Impairment allowance on Stage III loans).

O) **Disclosure of Complaints**

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

Sr. No		Particulars	March 31, 2025	March 31, 2024
1		No. of complaints pending at the beginning of the year	-	
2		No. of complaints received during the year	3,171	3,071
3		No. of complaints redressed during the year	3,143	3,071
	3.1	Out of which No. of complaints rejected by the NBFC	18	
4		No. of complaints pending at the end of the year	28	-
		Maintainable complaints received by the NBFC from Office of Ombudsman		
5		Number of maintainable complaints received by the NBFC from Office of Ombudsman	136	92
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	136	92
	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)	-	-

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Notes to the Standalone financial statements for the year ended March 31, 2025 (In Rs. Lakhs unless otherwise stated)

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

As at March 31, 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the	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	-	713	(18%)	5	-
Insurance	-	1,650	4%	2	-
Foreclosure	-	406	167%	2	-
Recovery related	-	64	156%	2	-
Loan refund	-	133	731%	6	-
Others	-	205	(51%)	11	-
Total	**-**	**3,171**	**3%**	**28**	**-**

As at March 31, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the	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	-	1,592	48.9%	-	-
Foreclosure	-	152	(46%)	-	-
Loan application status	-	24	(90%)	-	-
Loan rejection	-	240	500%	-	-
Others	-	192	78%	-	-
Total	**-**	**3,071**	**8%**	**-**	**-**

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.

P) Intra Group Exposure

S. No	Particulars	March 31, 2025	March 31, 2024
(i)	Total amount of intra group exposure	237	180
(ii)	Total amount of top 20 intra group exposure	237	180
(iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.03%	0.02%

Q) Public disclosure on liquidity risk

i) Funding concentration based on significant counterparty (both deposits and borrowings) for the year ended March 31, 2025

Number of significant counter parties	Amount	% of Total deposits	% of Total liabilities
Thirty seven (37)	603,936	NA	82.79%

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

Number of significant counter parties	Amount	% of Total deposits	% of Total liabilities
Thirty three (33)	581,600	NA	78.89%

ii) Top 20 large 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 for the year ended March 31, 2025

Amount	% of Total borrowings
258,915	37.15%

Top 10 borrowings for the year ended March 31, 2024

Amount	% of Total borrowings
153,336	22.21%

iv) Funding concentration based on significant instrument/product for the year ended March 31, 2025

Name of the instrument/product	Amount	% of Total liabilities
Debt securities	45,468	6.23%
Borrowings (other than debt securities)	565,492	77.52%
Subordinated liabilities	86,041	11.80%
Total borrowings	**697,001**	**95.55%**
Total liabilities	**729,443**	

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

Name of the instrument/product	Amount	% of Total liabilities
Debt securities	87,787	11.97%
Borrowings (other than debt securities)	560,417	76.42%
Subordinated liabilities	46,264	6.31%
Total borrowings	**694,468**	**94.69%**
Total liabilities	**733,379**	

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, 2025

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	52.55%	49.08%	40.02%

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	58.06%	53.73%	44.14%

(In Rs. Lakhs unless otherwise stated)

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.

Notes to Public disclosure on liquidity risk as on March 31, 2025

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.

Note 41.1: Schedule to the Balance Sheet of the Non Banking Financial Company as required under Master Direction - Reserve Bank of India (Non Banking Financial Company - Based Regulation) Directions, 2023, as amended from time to time

As at March 31, 2025

				Particulars		
				Liabilities side	**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the non- banking financial Company inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures : Secured			25,723	-
		: Unsecured			19,745	-
		(other than falling within the meaning of public deposits*)			-	-
	(b)	Deferred Credits			-	-
	(c)	Term Loans			565,492	-
	(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 [other than those included in (4) below]:**					
	(a)	Secured				545,599
	(b)	Unsecured				220,107
(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 debtors :				
		(a)	Financial lease			-
		(b)	Operating lease			-
	(ii)	Stock on hire including hire charges under sundry debtors :				
		(a)	Assets on hire			-
		(b)	Repossessed Assets			-
	(iii)	Other loans counting towards asset financing activities				
		(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			18,425
		(v)	Others			-
	2.	Unquoted				
		(i)	Shares			
			(a) Equity			-
			(b) Preference			-
		(ii)	Debentures and Bonds			-
		(iii)	Units of mutual funds			-
		(iv)	Government Securities			-
		(v)	Others			-

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Notes to the Standalone financial statements for the year ended March 31, 2025 (In Rs. Lakhs unless otherwise stated)

	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)	9,049

(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	-	238	238
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2.	Other than related parties		545,599	219,869	765,468
	Total		**545,599**	**220,107**	**765,706**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

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		27,474	27,474
	Total		**27,974**	**27,974**

(8) Other information

Particulars			Amount
(i)	Gross Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	20,958
(ii)	Net Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	7,373
(iii)	Assets acquired in satisfaction of debt		

As at March 31, 2024

Particulars				
Liabilities side			**Amount outstanding**	**Amount overdue**
(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	35,290	-
		(other than falling within the meaning of public deposits*)	-	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	559,969	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans (Borrowings from Securitisation arrangement)	448	-
(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	-	-
	(c)	Other public deposits	-	-

Assets side				Amount outstanding
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured		127,344
	(b)	Unsecured		628,676
(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 debtors :		
		(a)	Financial lease	-
		(b)	Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-

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Notes to the Standalone financial statements for the year ended March 31, 2025 (In Rs. Lakhs unless otherwise stated)

(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	10,446
		(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)	9,052

(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		127,344	628,496	755,840
	Total			**127,344**	**628,676**	**756,020**

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**				
	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		-

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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, 2025

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	733,306	4,372	728,934	2,933	1,439
	Stage 2	10,909	2,702	8,207	44	2,658
Subtotal		**744,215**	**7,074**	**737,141**	**2,977**	**4,097**
Stage 3 (Non performing Assets)						
Substandard	Stage 3	19,895	13,135	6,760	8,974	4,161
Doubtful - up to 1 year	Stage 3	808	327	481	174	153
1 to 3 years	Stage 3	233	107	126	60	47
Above 3 years	Stage 3	22	16	6	20	(4)
Subtotal		**20,958**	**13,585**	**7,373**	**9,228**	**4,357**
Loss	Stage 3	-	-	-	-	-
Subtotal for Stage 3 (NPA)		**20,958**	**13,585**	**7,373**	**9,228**	**4,357**
Total	Stage 1	733,306	4,372	728,934	2,933	1,439
	Stage 2	10,909	2,702	8,207	44	2,658
	Stage 3	20,958	13,585	7,373	9,228	4,357
	Total	**765,173**	**20,658**	**744,515**	**12,205**	**8,453**

As at March 31, 2024

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						
Standard	Stage 1	724,635	3,350	721,285	2,912	438
	Stage 2	8,996	1,596	7,400	43	1,554
Subtotal		**733,631**	**4,946**	**728,685**	**2,954**	**1,992**
Stage 3						
Substandard	Stage 3	21,716	14,984	6,732	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		**21,914**	**15,126**	**6,788**	**9,206**	**5,920**
Loss	Stage 3			-	-	-
Subtotal for Stage 3		**21,914**	**15,126**	**6,788**	**9,206**	**5,920**
Total	Stage 1	724,635	3,350	721,285	2,912	438
	Stage 2	8,996	1,596	7,400	43	1,554
	Stage 3	21,914	15,126	6,788	9,206	5,920
	Total	**755,545**	**20,072**	**735,473**	**12,160**	**7,912**

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

Note 41.3: Frauds

1 Information on instances of fraud for the year ended March 31, 2025:

Nature of fraud	No. of cases	Amount of fraud	Amount Recovered	Considered as Recoverable	Amount Provided for
Cash embezzlement	20	75	8	-	67

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

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

Note 41.4: Derivative instruments

As at March 31, 2025

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)
OeEB	CCS	6,698	128	100%	6,569	6,924
ResponsAbility 3 (ECB)	CCS	12,295	239	Unsecured	12,056	12,837
Blue orchard(MIFA) (ECB) Loan-1	CCIRS	3,296	67	105%	3,229	3,423
Blue orchard(ECB) Loan-1	CCIRS	5,653	88	105%	5,565	5,896
Frankfurt School Financial Services (ECB)	CCIRS	4,110	104	100%	4,006	4,279
Microvest 2 (ECB)	CCS	8,240	203	105%	8,037	8,558
Frankfurt School Financial Services (ECB) 2	CCIRS	4,152	40	100%	4,112	4,279
ResponsAbility 2 (ECB)	CCIRS	5,029	87	110%	4,942	5,135
Project Amon SCB (ECB)	CCIRS	33,624	34	111%	33,590	34,233
Project Amon SCB (ECB) 2	CCIRS	33,720	(71)	111%	33,791	34,233
Project Amon SCB (ECB) 3	CCIRS	25,538	(866)	111%	26,404	25,247

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	105%	12,282	12,501
Blue orchard(MIFA) (ECB) Loan-1	CCS	3,296	(11)	105%	3,307	3,334
Blue orchard(ECB) Loan-1	CCS	5,653	(24)	105%	5,677	5,742
Frankfurt School Financial Services (ECB)	CCS	4,110	16	100%	4,094	4,167
Microvest 2 (ECB)	CCS	8,240	(123)	105%	8,363	8,334
Frankfurt School Financial Services (ECB) 2	CCS	4,152	(43)	100%	4,195	4,167

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

Note 41.5: Other Disclosures

As at 31 March 2025, the Company has not met certain covenants relating to performance of loan portfolio and profitability ratio associated with 4 debt facilities with outstanding of ₹31,777 lakhs (March 31, 2024: 7 loan facilities with an outstanding of ₹33,392 lakhs). The Company has requested for additonal time from the relevant lenders for complying with the debt covenants and has been consistently meetings its debt obligations. The lenders have acknowleged the requests made by the Company and have not indicated any intention to initiate remedial actions, accordingly no adjustments are made in the standalone financial statement.

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Note 42 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 50 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.

2 Credit risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as loan receivables, investment in equity shares, balances with banks, and other receivables.

Financial instruments that are subject to concentration of credit risk principally consist of investments, cash and cash equivalents, bank deposits, and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk. Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including fixed deposits, were either past due or impaired as at March 31, 2025 and March 31, 2024. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks with sound credit ratings; hence the risk is reduced.

Loans
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 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.

Impairment assessment

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 if the obligor is past due 90 days or more on any material credit obligation to the Company. Further, the borrower is retained in Stage 3 till all the overdue amounts are repaid

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.

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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(33.3%), Upward(33.3%), and Downward (33.3%).

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate. Details of expected credit loss provided for loans is summarised in note 8 above.

Analysis of risk concentration

The following table shows risk concentration of the Company's gross loans basis risk exposure into smaller homogeneous portfolios, based on shared credit risk characteristics as under:

Particulars	March 31, 2025	March 31, 2024
Carrying value of loans	765,173	755,545
Motgage backed loans	39,952	32,738
other assets backed loans	3,041	2,482
Unsecured loans	219,574	628,201
Others (Cover by government guarantee)	502,606	92,124
Total	**765,173**	**755,545**

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.

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:

Finance cost	Impact on profit		Impact on pre tax equity	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Increase in basis points by +0.5	(1,794)	(1,759)	(451)	(443)
Decrease in basis points by -0.5	1,794	1,759	451	443

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.

Impact of hedge on the balance sheet

For the year ended 31 March 2025

Particulars	USD	EURO	Notional amount (₹)	Carrying amount of hedging instrument (assets)	Carrying amount of hedging instrument (Liabilities)
Cross currency interest rate swaps	1,364	-	116,724	420	(937)
Cross currency swaps	250	75	28,320	570	-
Total	**1,614**	**75**	**145,044**	**990**	**(937)**

For the year ended 31 March 2024

Particulars	USD	EURO	Notional amount (₹)	Carrying amount of hedging instrument (assets)	Carrying amount of hedging instrument (Liabilities)
Cross currency interest rate swaps	269	38	25,783	1,035	(79)
Cross currency swaps	293	113	34,525	585	(123)
Total	**562**	**150**	**60,308**	**1,620**	**(202)**

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Note 43: Liquidity disclosure template as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20

The RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 5000 crore and above but less than ₹ 10,000 crs from December 1, 2020, with the minimum LCR to be 30%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

S. No.	Particulars	For the quarter ended							
		March 31, 2025		December 31, 2024		Septemebr 30, 2024		June 30, 2024	
		Total unweighted value(average)@	Total weighted value(average)@	Total unweighted value(average)@	Total weighted value(average)@	Total unweighted value(average)@	Total weighted value(average)@	Total unweighted value(average)@	Total weighted value(average)@
High quality liquidity assets									
1	Total high quality liquid assets (HQLA)								
	Cash in hand	1,512	1,512	1,623	1,623	1,722	1,722	1,278	1,278
	Balances with banks in current accounts	16,522	16,522	13,205	13,205	16,836	16,836	20,034	20,034
	T-Bills/G-Sec	18,258	18,258	16,801	16,801	13,102	13,102	11,340	11,340
	HQLA	**36,292**	**36,292**	**31,629**	**31,629**	**31,661**	**31,661**	**32,651**	**32,651**
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	3,756	4,319	2,446	2,813	1,406	1,617	1,901	2,186
4	Secured wholesale funding	35,072	40,333	39,074	44,935	40,083	46,095	38,532	44,312
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	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities		-	-	-	-	-	-	-
6	Other contractual funding obligations	26,792	30,811	28,241	32,477	30,914	35,551	33,155	38,128
7	Other contingent funding obligations	6,617	7,610	5,509	6,335	5,027	5,781	771	887
8	**TOTAL CASH OUTFLOWS**	**72,237**	**83,073**	**75,270**	**86,561**	**77,430**	**89,045**	**74,359**	**85,513**
Cash Inflows									
9	Secured lending							-	-
10	Inflows from fully performing exposures	73,025	54,769	71,124	53,343	82,618	61,964	78,900	59,175
11	Other cash inflows#	55,467	41,600	61,325	45,994	49,951	37,463	42,961	32,221
12	**TOTAL CASH INFLOWS**	**128,492**	**96,369**	**132,449**	**99,337**	**132,569**	**99,427**	**121,861**	**91,396**
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	**TOTAL HQLA**		**36,292**		**31,629**		**31,661**		**32,651**
14	**TOTAL NET CASH OUTFLOWS**		**20,768**		**21,640**		**22,261**		**21,378**
15	**LIQUIDITY COVERAGE RATIO (%) (LCR)**		**174.75%**		**146.16%**		**142.23%**		**152.73%**

S. No.	Particulars	For the quarter ended							
		March 31, 2024		December 31, 2023		Septemebr 30, 2023		June 30, 2023	
		Total unweighted value(average)@	Total weighted value(average)@	Total unweighted value(average)@	Total weighted value(average)@	Total unweighted value(average)@	Total weighted value(average)@	Total unweighted value(average)@	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	**25,551**	**25,551**	**22,182**	**22,182**	**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	38,804	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	861	990	1,619	1,862
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	31,683	36,435	64,259	73,898	42,302	48,647	36,550	42,033
7	Other contingent funding obligations	794	913	654	752	2,483	2,855	-	-
8	**TOTAL CASH OUTFLOWS**	**67,571**	**77,707**	**64,913**	**74,650**	**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
12	**TOTAL CASH INFLOWS**	**110,970**	**83,228**	**84,487**	**63,365**	**91,037**	**68,278**	**68,386**	**51,290**
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	**TOTAL HQLA**		**25,551**		**22,182**		**13,973**		**47,426**
14	**TOTAL NET CASH OUTFLOWS**		**19,427**		**18,662**		**13,123**		**10,974**
15	**LIQUIDITY COVERAGE RATIO (%) (LCR)**		**131.53%**		**118.86%**		**106.48%**		**432.18%**

Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds

@ Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows). Averages are calculated basis simple average of daily observations.

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(In Rs. Lakhs unless otherwise stated)

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

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, 2024)	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, 2025)
Personal loans	146	24	0	20	102
Corporate persons					
i) Of which MSMEs	-	-	-	-	-
ii) Others	-	-	-	-	-
Total	**146**	**24**	**0**	**20**	**102**

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.

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, 2024)	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, 2025)
Personal loans	59	17	0	8	34
Corporate persons					
i) Of which MSMEs	-	-	-	-	-
ii) Others	-	-	-	-	-
Total	**59**	**17**	**0**	**8**	**34**

Note 46: Capital commitment

Commitments	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	44

Note 47: There are no contingent liabilities outstanding as of 31 March 2025 and 31 March 2024. With respect to the outstanding tax litigations pending against the Company, based on the management assessment, the possibility of an outflow of the ecomonic resources owing to these disputed dues are assessed to be 'remote', hence not disclosed as contingent liability as per Ind-AS 37.

Note 48: The figures appearing in the financial statement for the financial year ending March 31, 2025 and March 31, 2024 have been rounded off to nearest lakh.

Note 49: In the previous year, the Ministry of Corporate Affairs (MCA) has prescribed a requirement under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses multiple accounting softwares for maintaining its books of account and each of such accounting software has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the respective softwares. Further, the audit trail has been preserved as per the statutory requirements for record retention.

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Annapurna Finance Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2025

Note 50 Additional disclosures

(a)	No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
(b)	No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
(c)	The Company has not been declared as Wilful Defaulter by any bank or financial institution or any lender.
(d)	No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
(e)	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.
(f)	(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.
(g)	The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
(h)	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).

This is the summary of material accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Noida
Date: May 23, 2025

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

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

Place: Puri
Date: May 23, 2025

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