



Arman Financial Services Limited

Registered Office: 502-503, SAKAR III, OPP. OLD HIGH COURT, OFF ASHRAM ROAD, AHMEDABAD-380014, GUJARAT, INDIA
PH.: +91-79-40507000, 27541989 E-mail: finance@armanindia.com CIN: L55910GJ1992PLC018623

Date: December 19, 2023

To, The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex Bandra East Mumbai - 400 051	To, The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400 001
Symbol: ARMANFIN	Scrip Code: 531179

Dear Sir/Madam,

**Sub: Unaudited interim condensed consolidated financial statements for the six months ended
September 30, 2023**

We wish to inform you that the Board of Directors of the Company have passed a resolution today i.e. December 19, 2023 and approved the unaudited interim condensed consolidated financial statements along with the auditors review report thereon for the six months ended September 30, 2023. A copy of the said interim financial statements of the Company along with the auditors review report, is being forwarded to you, for your records.

We request you to take the above on record and the same be treated as compliance under Regulation 30 and the other applicable provisions of the SEBI LODR Regulations.

The Board meeting commenced at 12:45 P.M (IST) and concluded at 01:15 P.M (IST).

Thanking you,

Yours faithfully,

For, Arman Financial Services Limited

Jaimish Patel
Company Secretary
M. No.-A42244



talati & talati llp

Chartered Accountants

AUDITOR'S REPORT ON REVIEW OF UNAUDITED SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Arman Financial Services Limited

Introduction

1. We have reviewed the accompanying unaudited special purpose condensed interim consolidated financial information of Arman Financial Services Limited (the "Company"/ "Parent"/ "Holding Company") and its subsidiary Namra Finance Limited ("Subsidiary") (the Company and its Subsidiary together have been referred to as the "Group"), comprising the unaudited special purpose condensed interim consolidated balance sheet as at 30 September 2023 and the related unaudited special purpose interim condensed consolidated statement of profit and loss (including other comprehensive income), the unaudited special purpose condensed interim consolidated statement of cash flows and the unaudited special purpose condensed interim consolidated statement of changes in equity for the half year then ended, and selected explanatory notes thereon (collectively, the "Unaudited Special Purpose Condensed Interim Consolidated Financial Statements" or the "Statements"). The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared on the basis and for the purpose stated in Note 2 ("Basis of Preparation") of the selected explanatory notes.

Management Responsibility

2. The Company's management is responsible for the preparation and presentation of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements on the basis and for the purpose stated in Note 2 of the selected explanatory notes and in accordance with SEBI guidelines which have been approved by the Board of Directors of the Company for issuance. The respective Boards of Directors of the entities forming part of the Group are responsible for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements on the basis and for the purpose stated in Note 2 of the selected explanatory notes and are free from material misstatement, whether due to fraud or error.



Talati & Talati LLP, a Limited Liability Partnership bearing LLP identification NO. AAO-8149

AMBICA CHAMBERS, NEAR OLD HIGH COURT, NAVRANGPURA, AHMEDABAD 380 009.

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DELHI (011) 3255 3900 • NOIDA 70112 76166 • KOCHI (0484) 640 0102

Auditors' Responsibility

3. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), as amended, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Condensed Interim Consolidated Financial Statements are free from material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (the "Act") and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our responsibility is to express a conclusion on the Unaudited Condensed Interim Consolidated Financial Statements based on our review.
5. We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, as amended from time to time, to the extent applicable.

Conclusion

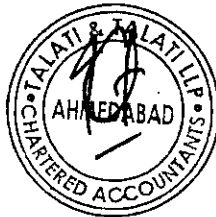
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraphs 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Condensed Consolidated Interim Financial Statements has not been prepared, in all material aspects, in accordance with the basis set out in Note 2 of the selected explanatory notes.



Other matter

7. We had issued an unmodified conclusion on the Statement of Unaudited Consolidated Financial Results for the quarter and half year ended 30 September 2022, vide our review report dated 14th November 2022. The comparative figures included in Unaudited Special Purpose Condensed Interim Consolidated Balance Sheet, Unaudited Special Purpose Condensed Interim Consolidated Statement of Profit and Loss, Unaudited Special Purpose Condensed Interim Consolidated Statement of Cash Flows, Unaudited Special Purpose Condensed Interim Consolidated Statement of Changes in Equity and the selected explanatory notes have been extracted from the Unaudited Consolidated Financial Statements for half year ended 30 September 2022 which consisted of Unaudited Consolidated Balance Sheet, Unaudited Consolidated Statement of Profit and Loss, Unaudited Consolidated Statement of Cash Flows, Unaudited Consolidated Statement of Changes in Equity and the selected explanatory notes. We have undertaken a limited review of the Unaudited Consolidated Financial Statements for half year ended 30 September 2022.
8. We did not review the interim condensed financial statements of a subsidiary included in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements, that reflect total assets of ₹ 19318.76 million as at 30 September 2023, total revenues of ₹2469.45 million for the half year ended 30 September 2023, total net profit after tax of ₹656.24 million for the half year ended 30 September 2023, total comprehensive income of ₹677.90 million for the half year ended 30 September 2023 and net cash inflow of ₹214.97 million for the half year ended 30 September 2023, as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements. The interim condensed financial statements of the subsidiary have been reviewed by other auditor whose report has been furnished to us by the Management of the Company and our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

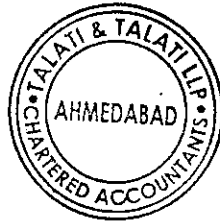
Our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements is not modified in respect of above matters.



Basis of Accounting and Restriction on Uses

9. Without modifying our conclusion, we draw attention to Note 2 of the selected explanatory notes, which explains that the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared solely in connection with the proposed issue of the equity shares of the Company and for inclusion in the Preliminary Placement Document and the Placement Document, as the case maybe, in relation to the proposed issue. As a result, the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be used by other parties.

Place: Ahmedabad
Date: 19/12/2023



For, Talati & Talati LLP
Chartered Accountants
FRN.: 110758W/W100377

A handwritten signature in black ink, appearing to read "Kushal Talati".

CA Kushal Talati
Partner

Membership No. 188150

UDIN: 23188150BGQHMJ2721

ARMAN FINANCIAL SERVICES LIMITED
CIN: L55910GJ1992PLC018623

Unaudited Special Purpose Condensed Interim Consolidated Balance Sheet As At 30th Sept, 2023				
(INR in Millions)				
Particulars	Note No.	30th Sept, 2023 (Reviewed)	30th Sept, 2022 (Refer Note 2.1)	31st March, 2023 (Audited)
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	4	1,406.30	2,235.01	262.21
(b) Bank Balance other than (a) above	5	3,811.81	2,024.14	4,040.97
(c) Loans	6	18,192.28	12,837.25	15,367.08
(d) Investments	7	242.16	209.20	194.79
(e) Other Financial assets	8	321.33	135.31	288.86
(2) Non-financial Assets				
(a) Deferred tax Assets (Net)	10	166.86	187.12	154.65
(b) Property, Plant and Equipment & Other Intangible assets	11	55.88	53.59	51.63
(c) Right of Use Asset	11	8.01	10.80	9.40
(d) Other non-financial assets	12	22.07	20.08	12.05
Total Assets		24,226.70	17,712.48	20,381.64
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Trade Payables	13	21.59	4.36	16.19
(b) Debt Securities	14	3,800.01	2,150.69	2,433.55
(c) Borrowings (Other than Debt Securities)	15	14,376.93	11,427.08	12,974.72
(d) Subordinated Liabilities	16	440.75	609.28	635.85
(e) Other financial liabilities	17	714.75	331.36	562.94
(2) Non-Financial Liabilities				
(a) Provisions	18	22.85	12.62	19.97
(b) Current Tax Liabilities (Net)	9	110.47	47.25	45.96
(c) Other non-financial liabilities	19	42.67	15.31	35.57
EQUITY				
(1) Equity Share capital	20	87.11	84.92	84.92
(2) Other Equity	21	4,609.56	3,029.60	3,571.98
Total Liabilities and Equity		24,226.70	17,712.48	20,381.64

The accompanying notes are an integral part of the Unaudited Special Purpose Condensed Interim Consolidated financial statement.

As per our report of even date attached herewith

For, Talati & Talati LLP
Chartered Accountants

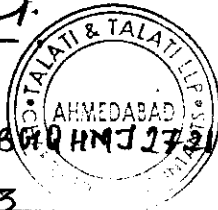
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[Kushal U Talati]
Partner

[M.No.188150]

UDIN : 231881508690HMJ2721
Place: Ahmedabad

Date: 19/12/2023



For, Arman Financial Services Limited


Jayendra Patel
Vice Chairman & MD
(DIN - 00011814)


Vivek Modi
Chief Financial Officer


Aalok Patel
Joint Managing Director
(DIN - 02482747)


Jaimish Patel
Company
(M. No. A42244)

ARMAN FINANCIAL SERVICES LIMITED

CIN: L55910GJ1992PLC018623

Unaudited Special Purpose Condensed Interim Consolidated
Statement of Changes in Equity for the Half Year ended on 30th Sept, 2023
(all Amounts are INR in million, unless otherwise stated)

(A) Equity share capital (Refer Note 17)					
Particulars	Balance as at March 31, 2023	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2023	Changes during the period	Balance As at September 30, 2023
Ordinary equity share capital	84.92	-	84.92	2.19	87.11
Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Ordinary Equity share capital	84.92	-	84.92	0.01	84.92
Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the period	Balance As at September 30, 2022
Ordinary equity share capital	84.92	-	84.92	0.01	84.92

(B) Other equity (Refer note 18)								
Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment Reserve		
Half Year Ended September 30, 2023								
Balance as at March 31, 2023	638.31	16.24	508.83	690.34	1,786.98	2.38	(71.08)	3,571.98
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2023	638.31	16.24	508.83	690.34	1,786.98	2.38	(71.08)	3,571.98
Profit for the period	-	-	-	-	807.54	-	-	807.54
Other comprehensive income (net of taxes)	-	-	-	-	-	-	22.02	22.02
Total Comprehensive Income for the period	-	-	-	-	807.54	-	22.02	829.57


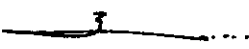


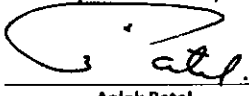



ARMAN FINANCIAL SERVICES LIMITED
CIN: L55910GJ1992PLC018623

(B) Other equity (Refer note 18)								
Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-1C of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment Reserve		
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-1A of RBI Act, 1934	-	-	165.20	-	(165.20)	-	-	-
Additions during the period in securities premium	-	-	-	263.22	-	(0.87)	-	262.34
Transfer during the period in General Reserve	-	1.10	-	-	(1.10)	-	-	-
Transferred to liability component	(0.74)	-	-	-	-	-	-	(0.74)
Transferred to Security Premium	(75.54)	-	-	-	-	-	-	(75.54)
Share based payment to employees (ESOP)	-	-	-	-	-	21.95	-	21.95
Balance As at September 30, 2023	562.03	17.34	674.03	953.55	2,428.22	23.46	(49.05)	4,609.56
Year Ended March 31, 2023								
Balance as at March 31, 2022	-	15.14	317.63	689.80	1,041.17	1.21	(22.99)	2,041.95
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2022	-	15.14	317.63	689.80	1,041.17	1.21	(22.99)	2,041.95
Profit for the year	-	-	-	-	938.11	-	-	938.11
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(48.09)	(48.09)
Total Comprehensive Income for the period	-	-	-	-	938.11	-	(48.09)	890.03
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-1A of RBI Act, 1934	-	-	191.20	-	(191.20)	-	-	-
Additions during the year in securities premium	-	-	-	0.54	-	(0.51)	-	0.03
Transfer during the year in General Reserve	-	1.10	-	-	(1.10)	-	-	-
Issue of CCD and OCRPS	638.31	-	-	-	-	-	-	638.31
Share based payment to employees (ESOP)	-	-	-	-	-	1.68	-	1.68
Balance as at March 31, 2023	638.31	16.24	508.83	690.34	1,786.98	2.38	(71.08)	3,571.98



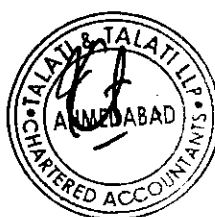
ARMAN FINANCIAL SERVICES LIMITED
CIN: L55910GJ1992PLC018623

(B) Other equity (Refer note 18)								
Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment Reserve		
Half Year Ended September 30, 2022								
Balance as at March 31, 2022	-	15.14	317.63	689.80	1,041.17	1.21	(22.99)	2,041.94
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2022	-	15.14	317.63	689.80	1,041.17	1.21	(22.99)	2,041.94
Profit for the period	-	-	-	-	356.37	-	-	356.37
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(14.04)	(14.04)
Total Comprehensive Income for the period	-	-	-	-	356.37	-	(14.04)	342.32
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	73.70	-	(73.70)	-	-	-
Additions during the period in securities premium	-	-	-	0.03	-	-	-	0.03
Issue of CCD and OCRPS	644.73	-	-	-	-	-	-	644.73
Share based payment to employees (ESOP)	-	-	-	-	-	0.57	-	0.57
Balance As at September 30, 2022	644.73	15.14	391.33	689.83	1,323.83	1.78	(37.03)	3,029.60
As per our report of even date attached herewith For, Talati & Talati LLP Chartered Accountants [Firm Regd. No. 110758W/W 100377]				For, Arman Financial Services Limited				
 [Kushal U Talati] Partner [M.No.188150] UDIN : 23188150 BUDQAA12721 Place: Ahmedabad Date: 19/12/2023				 Jayendra Patel Vice Chairman & MD (DIN - 00011814)				
				 Vivek Modi Chief Financial Officer				
				 Aalok Patel Joint Managing Director (DIN - 02482747)				
				 Jaimish Patel Company Secretary (M. No. A42244)				

ARMAN FINANCIAL SERVICES LIMITED
CIN: L55910GJ1992PLC018623

**Unaudited Special Purpose Condensed Interim
Consolidated Statement Of Cash Flow For The Half Year Ended On 30Th Sept, 2023**
(all Amounts are INR in million, unless otherwise stated)

PARTICULARS	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
A: Cash from Operating Activities:		
Net profit before taxation	1,082.87	467.29
Adjustment For:		
Depreciation and amortisation	5.44	3.95
Depriciation on Right of Use Assets	1.39	1.39
Interest Income	(2,817.13)	(1,663.39)
Net gain on equity instruments measured through profit and loss	(2.66)	(0.64)
Finance cost Expense	1,313.18	646.43
Provision for impairment on financial assets	105.23	65.05
Gain On Assignment of Assets(Net of Expense)	(124.07)	-
Loss / (Profit) on sale of Current Investment	(40.45)	(1.74)
Remeasurement of define benefit plan	(2.33)	0.11
Employee Stock Option Plan Expense	21.95	0.57
Loss on Disposal of Property, Plant & Equipment	0.36	-
Financial Guarantee Income	-	-
Interest Income Received	2,748.92	1,678.98
Finance Cost Paid	(1,286.82)	(686.09)
Income tax paid	(230.42)	(108.36)
Operating profit before working Capital changes :	775.46	403.56
Adjustment For Increase/(Decrease) in Operating Assets:		
Loans and Advances	(2,797.36)	(2,332.33)
Financial Assets	159.81	(21.74)
Non Financial Assets	(10.02)	(8.93)
Bank balance other than Cash and Cash equivalents	229.15	(1,356.01)
Adjustment For Increase/(Decrease) in Operating Liabilities:		
Trade Payables	-	(7.41)
Other Non Financial liability	7.10	5.76
Other Financial Liabilities	70.47	11.62
Subordinated Debts	(11.82)	-
Provision	2.87	1.05
Net Cash From Operating Activities:	(1,574.34)	(3,304.45)
B: Cash Flow From Investing Activities:		
Purchase of Property, Plant & Equipment	(10.61)	(20.75)
Purchase of investments	(3,856.50)	(1,182.66)
Sale of investments	3,852.24	1,035.01
Sale of Property, Plant & Equipment	0.56	-
Net Cash from Investment Activities:	(14.31)	(168.40)



ARMAN FINANCIAL SERVICES LIMITED
CIN: L55910GJ1992PLC018623

Unaudited Special Purpose Condensed Interim
Consolidated Statement Of Cash Flow For The Half Year Ended On 30Th Sept, 2023
(all Amounts are INR in million, unless otherwise stated)

PARTICULARS	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
C: Cash Flow From Financing Activities :		
Proceeds from issue of share capital (including Premium)	0.06	0.04
Proceeds from issue of CCD & OCRPS	-	1,150.44
Proceeds from long term borrowings	8,328.07	7,328.95
Repayment of borrowings	(5,306.78)	(3,429.37)
Net increase / (decrease) in working capital borrowings	(235.83)	(96.22)
Repayment of Principal Component of Lease Liability	(1.42)	(1.27)
Net Cash from Financing Activities:	2,732.73	4,952.58
Net Increase/(Decrease) in Cash & Cash Equivalents	1,144.08	1,479.73
Cash & cash equivalents at the beginning of the year	262.21	755.28
Cash & cash equivalents at the end of the year	1,406.30	2,235.01

Notes :

Cash and bank balance at the end of the period comprises:

1	Particulars	30th Sept, 2023	30th Sept, 2022
	Cash on hand	8.83	17.01
	Balance with Bank	1,397.47	2,217.99
	Total	1,406.30	2,235.01

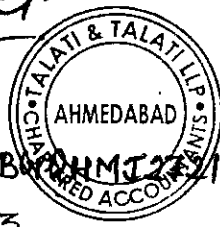
2 The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 Change in liabilities arising from financing activities:

Particulars	As at March 31, 2023	Cash Flows	Non Cash Changes	As at September 30, 2023
Debt Securities	2,433.55	1,388.31	(21.85)	3,800.01
Borrowing other than debt Securities	12,974.72	1,447.09	(44.87)	14,376.93
Total	15,408.26	2,835.40	(66.72)	18,176.94

As per our report of even date attached herewith
For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

Kushal U Talati
[Kushal U Talati]
Partner
[M.No.188150]
UDIN : 23188150 BAHMI2321
Place: Ahmedabad
Date: 19/12/2023



For, Arman Financial Services Limited

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

Aalok Patel
Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Vivek Modi
Chief Financial Officer

Jaimish Patel
Jaimish Patel
Company Secretary
(M. No. A42244)

ARMAN FINANCIAL SERVICES LIMITED
CIN: L55910GJ1992PLC018623

Forming Part of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements for the half year ended September 30, 2023.

1. CORPORATE INFORMATION

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

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

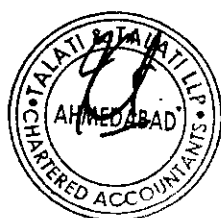
2. BASIS OF PREPARATION

2.1 Statement of compliance and principle of Consolidation

The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements as at and for the half year ended 30 September 2023 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards (Ind AS) -34 'Interim Financial Reporting' as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") and should be read in conjunction with the Group last annual consolidated financial statements as at and for the year ended 31 March 2023 (last audited annual financial statements). These Unaudited Special Purpose Condensed

Interim Consolidated Financial Statements do not include all the information required for a complete set of Ind AS financial statements. They have been prepared solely in connection with the proposed issue of the equity shares of the Parent Company. In preparing these Unaudited Special Purpose Condensed Interim Consolidated Financial Statements, the comparative figures included in Special Purpose Condensed Interim Consolidated Balance Sheet, Special Purpose Condensed Interim Consolidated Statement of Profit and Loss and Special Purpose Condensed Interim Consolidated Statement of Cash Flows, have been compiled/extracted from the Statement of Unaudited Consolidated Financial Results as at and for the quarter and half year ended 30 September 2022, prepared as per the requirements of Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which had been approved by the Board of Directors of the Company on 14 November 2022 and on which our auditors had issued unmodified review report dated 14 November 2022 and the Special Purpose Condensed Interim Consolidated Statement of Changes in Equity and the selected explanatory notes included in the Special Purpose Condensed Consolidated Interim Financial Statements have been additionally reviewed by our auditors. Certain comparative figures included in Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been reclassified to make them comparable to the classification in the corresponding Unaudited Special Purpose Condensed Interim Consolidated Financial Statements as at and for the half year ended 30 September 2023.

The accounting policies applied by the Company for preparation of these Unaudited Special Purpose Condensed Interim Consolidated Financial



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Statements are consistent with those adopted for preparation of last annual financial statements.

Principle of Consolidation

i) Subsidiaries: -

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

ii) Non-Controlling Interest ("NCI")

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

iii) Loss of control

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

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. September 30, 2023. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and

transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

The following subsidiary company has been considered in the preparation of the Unaudited Special Purpose Condensed Interim Consolidated financial statements:

Name of Entity	Relationship	Country	Ownership Held By	% of holding And Voting Power as at	
				Sept 30, 2023	March 31, 2023
Namra Finance Limited	Subsidiary Company	India	Arman Financial Services Limited	100%	100%

2.2 Basis of measurement

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

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

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

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The



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values are rounded to the nearest lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

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

Judgements

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

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the

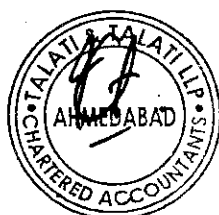
objective of the business for which the asset was held. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

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

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation



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techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

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

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

iii) Impairment of financial asset

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

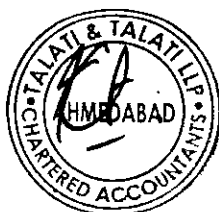
- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c)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

iv) Provisions and other contingent liabilities

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

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the



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stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

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

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

2.4 Presentation of the standalone financial statements

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of Interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is

the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

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

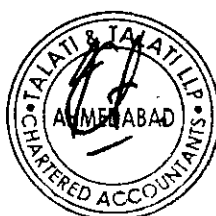
B. Interest income

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

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial



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liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

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

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

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

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

- a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

- b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- c. managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- d. The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

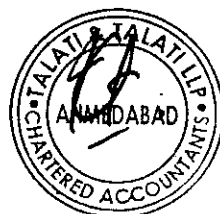
The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification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

SPPI test

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

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which



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the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

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

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

ii) Financial assets measured at FVOCI

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

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

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

iv) Investments in Mutual Funds

All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss ("FVTPL").

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the half year ended September 30, 2023 and, in the year ended March 31, 2023.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial



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modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the

company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) Financial liability

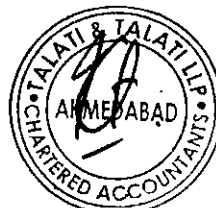
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12



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months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been

previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest **LGD** Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.



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Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Loans and advances measured at FVOCI

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

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)
- ii) Lending interest rates
- iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the

accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or



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indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 (I) Recognition of other income

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

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer,

excluding amounts collected on behalf of third parties.

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

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

3.8 (II) Recognition of other expense



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A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.10 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as

specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

- i) Buildings - 60 years
- ii) Vehicles - 8 years
- iii) Office equipment - 3 to 10 years
- iv) Furniture and fixtures - 10 years

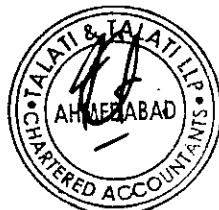
Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.11 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.



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3.12 Impairment of non-financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.13 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.14 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and

are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be



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estimated reliably. The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.15 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.16 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

B. Deferred tax

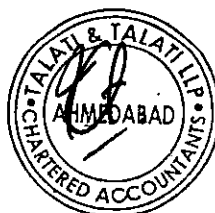
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by



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the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.17 Earnings per share

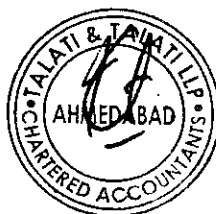
Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be

converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.18 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.



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4	Cash and Bank Balance	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Cash on hand	8.83	17.01	6.49
	Balance with banks	1,397.47	2,217.99	255.73
	Total	1,406.30	2,235.01	262.21
5	Other Bank Balance	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	In fixed deposit accounts:			
	Deposits given as security against borrowings and other commitments	1,420.25	823.47	957.13
	Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	2,361.00	1,060.00	3,010.00
	Other Deposits (i.e., free from any encumbrance)	200.75	151.27	183.94
	Earmarked balances with banks	2.00	3.05	2.00
	Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(172.18)	(13.65)	(112.10)
	Total	3,811.81	2,024.14	4,040.97
5.1	Deposits includes deposits given as cash collateral security against bank loans.			
5.2	Deposits includes deposits of Rs. 2361 million (P.Y. Rs. 3010 million) given to bank for Overdraft facility. Overdraft utilized Rs. 1518.79 million (P.Y. Rs. 1684.41 million)			
6	Loans	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	At FVOCI:			
	Secured by Tangible Asset	681.88	484.54	601.45
	Unsecured Loans	18,356.74	13,134.48	15,498.60
	Less: Impairment Loss Allowances	(770.58)	(714.98)	(668.13)
	Total Loans	18,268.04	12,904.04	15,431.92
	Less: Interest Due but not Received on Loans and Advances (Note No.5)	(75.76)	(66.80)	(64.85)
		18,192.28	12,837.25	15,367.08
	(1) Loans In India	18,192.28	12,837.25	15,367.08
	(2) Loans Outside India	-	-	-
	Total	18,192.28	12,837.25	15,367.08



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6.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at March 31, 2022	10,257.79	472.33	499.12	11,229.24
New Assets originated*	6,130.13	10.77	4.04	6,144.94
Net transfer between stages				
Transfer from stage 1	(523.86)	177.95	345.91	-
Transfer from stage 2	363.76	(391.74)	27.99	-
Transfer from stage 3	101.46	26.99	(128.45)	-
Assets derecognised or collected	3,481.16	66.29	88.66	3,636.12
Write - offs	-	-	185.84	185.84
Carrying amount As at September 30, 2022	12,848.12	230.02	474.09	13,552.22
Carrying amount as at March 31, 2022	10,257.79	472.33	499.12	11,229.24
New Assets originated*	15,158.69	76.67	56.36	15,291.73
Net transfer between stages				
Transfer from stage 1	(295.17)	102.40	192.77	-
Transfer from stage 2	85.12	(140.86)	55.74	-
Transfer from stage 3	0.29	0.19	(0.49)	-
Assets derecognised or collected	9,772.76	144.41	78.03	9,995.20
Write - offs	19.14	193.42	278.00	490.55
Carrying amount as at March 31, 2023	15,414.82	172.91	447.48	16,035.21
New Assets originated*	13,532.79	66.69	23.85	13,623.33
Net transfer between stages				
Transfer from stage 1	(441.73)	234.58	207.15	-
Transfer from stage 2	8.50	(137.30)	128.79	-
Transfer from stage 3	1.58	0.94	(2.52)	-
Assets derecognised or collected	10,271.13	0.28	253.08	10,524.48
Write - offs	6.51	81.95	82.73	171.20
Carrying amount As at September 30, 2023	18,238.32	255.60	468.94	18,962.86

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end .

6.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2022	90.64	145.55	416.99	653.17
Addition During the Year	136.54	122.71	527.02	786.26
Reversal During the Year	(93.37)	(145.62)	(485.47)	(724.46)
ECL Allowances As at September 30, 2022	133.80	122.64	458.54	714.98
ECL Allowances as at March 31, 2022	90.64	145.55	416.99	653.17
Addition During the Year	144.94	51.77	284.67	481.38
Reversal During the Year	(53.71)	(133.43)	(279.29)	(466.42)
ECL Allowances as at March 31, 2023	181.87	63.89	422.37	668.13
Addition During the Year	253.59	108.08	481.00	842.67
Reversal During the Year	(204.50)	(66.47)	(469.26)	(740.23)
ECL Allowances As at September 30, 2023	230.96	105.50	434.11	770.58

Note: Increase in ECLs of the portfolio was driven by moderate credit performance in disbursement and movements within stages. The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the half year ended on 30th sept, 2023, the Company has written off (net) Rs. 137.9 million. The Total ECL provision of Rs. 770.58 million on Loans and Advances is retained by the company as at 30th Sept, 2023. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

6.3 Loans secured by hypothecation of assets (vehicles) are secured by hypothecation of the assets (vehicles) under finance. In the opinion of the Board, the market value of the hypothecated assets (vehicle) as on Balance Sheet date is more than the amount of loan outstanding.



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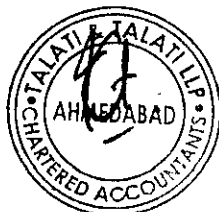
Selected Explanatory Notes Forming Part Of The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements For The Half Year Ended September 30, 2023
(all Amounts are INR in million, unless otherwise stated)

7	Investments (At Cost)	30th Sept, 2023	30th Sept, 2022	31st March, 2023
A	At Fair Value Through Profit & Loss (FVTPL)			
	In Mutual Funds			
	SBI Magnum Gilt Fund Regular Growth (As at 31.03.23 : 9,08,465.69 ,As at 30.09.23 Unit6,72,675.73 Units, As at 30.09.2022 NIL units)	37.09	-	50.09
	SBI Magnum Medium Duration Fund Regular Growth (As at 31.03.23: 6,98,053 Unit,As at 30.09.2023: 7,24,278.04 Unit,As at 30.09.2022: NIL Unit)	31.13	-	30.00
	Quant Liquid Fund (As At 30.09.2023: NIL Unit,As At 31.03.2023: Nil Unit,As At 30.09.2022: 29,28,,781.89 Unit)	-	100.90	-
	In NCDs			
	Vivriti Capital Pvt Ltd NCD (As At 30.09.2023: 1000 Unit,As At 31.03.2023: Nil Unit,As At 30.09.2022: Nil Unit)	103.52	-	-
B	At Amortised Cost			
	In Pass through certificates under securitization transactions			
	1,87,87,291 Units (As at 31.03.23 - 1,87,87,291 unit & As at 30.09.22 - 1,87,87,291) of HLF Sydney PTC , Face Value of Rs. 1 Each.	-	16.60	17.41
	1,13,53,428 Units (As at 31.03.23 - 1,13,53,428 Unit & As at 30.09.2022 - 1,13,53,428) Nabsam Albany PTC , Face Value of Rs. 1 Each.	-	10.31	10.82
	2,15,98,529 Units (As at 31-3-2023 - 2,15,98,529 Unit & As at 30.09.2022 - 2,15,98,529) of Nimbus 2022 MFI Dunedin, Face Value of Rs 1 Each.	-	19.17	20.37
	1,87,70,074 Units (As at 31-3-2023 - 1,87,70,074 Unit & As at 30.09.2022 - 1,87,70,074) of Nimbus 2022 MFI Hamilton, Face Value of Rs 1 Each	18.41	16.41	17.37
	1,23,40,361 Units (As at 31-03-2023 - 1,23,40,361 Units & As at 30.09.2022- 1,23,40,361 Units) of NFL EMERALD 2022, Face Value of Rs 1 Each.	11.53	10.33	10.87
	1,82,47,719 units (As at 31-03-2022 - 1,82,47,719 Units & As at 30.09.2022- 1,82,47,719 Units) of MFSL 2022 Lynx , Face Value of Rs 1 Each	17.36	14.97	16.11
	1,00,000 Units (As at 31-03-2023 - 1,00,000 Units & As at 30.09.2022- 1,00,000 Units) of Sheryl 06 2022. Face Value of Rs 1 Each	0.10	0.08	0.09
	41,13,949 Units (As at 31-03-2023 - 41,13,949 Units & As at 30.09.2022- 41,13,949 Units) of Victor July 2022, Face Value Rs 1 Each	4.00	3.57	3.78
	61,92,788 Units (As at 31-03-2023 - 61,92,788 Units & As at 30.09.2022- 61,92,788) of Nimbus 2022 MFI Brampton., Face Value of Rs.1 Each	5.98	5.41	5.67
	1,30,41,310 Units (As at 31-03-2023 - 1,30,41,310 Units & As at 30.09.2022 - 1,30,41,310 units) of Roger July 2022 PTC , Face Value of Rs. 1 Each.	13.04	11.46	12.22
	Total	242.16	209.20	194.79
	(1) Investments In India	242.16	209.20	194.79
	(2) Investments Outside India	-	-	-
	Total	242.16	209.20	194.79



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8	Other Financial Assets	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Interest Due but not Received on Loans and Advances (Note No.3)	75.76	66.80	64.85
	Interest Accrued but not due on Bank Deposits (Note No.2)	172.18	13.65	112.10
	Deposits	2.90	46.83	2.55
	Other Advances	127.15	61.28	163.24
	Less: Interest Due but not Received on Loans and Advances	(56.66)	(53.25)	(53.87)
	Total	321.33	135.31	288.86
8.1	Deposits include security deposits is Nil (As at 31-03-2023 Rs Nil, As at 30-09-2022 Rs 393.99 Lacs) given as collateral security against term loans and working capital loans.			
8.2	Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:			
	ECL Allowances As at beginning of the period	53.87	50.01	50.01
	Addition During the period	30.85	32.23	38.20
	Reversal During the period	(28.06)	(28.98)	(34.34)
	ECL Allowances As at end of the period	56.66	53.25	53.87
8.3	There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.			
9	Current Tax (Net)	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Advance Tax and TDS	(674.92)	(388.61)	(444.49)
	Less: Provision for Tax	785.39	435.86	490.45
	Total	110.47	47.25	45.96
10	Deferred Tax	30th Sept, 2023	30th Sept, 2022	31st March, 2023
A	Deffered Tax Assets on Account of:			
	Provision for employee benefits that are allowable for tax purpose in the year of payment	5.75	3.18	5.03
	Financial assets measured at amortised cost	81.49	31.95	43.06
	Shares issue expenses that are allowable for tax purpose on deferred basis	0.37	0.07	0.53
	Provision for CSR	-	1.38	-
	Fair valuation of financial instruments through Other Comprehensive Income	14.70	-	22.70
	Impairment on Financial Assets	161.35	188.81	171.17
	Total Deferred Tax Assets	263.65	225.39	242.48
B	Deffered Tax Liability on Account of:			
	Difference in written down value as per Companies Act and Income Tax Act	(1.50)	(1.46)	(1.38)
	Financial liabilities measured at amortised cost	(49.59)	(25.43)	(34.04)
	Fair valuation of Derivative Contract measured Through Profit & Loss Account	-	3.99	-
	Fair valuation of financial instruments through OCI	-	12.47	-
	Interest Receivable on NPA Assets	(14.26)	(13.40)	(13.56)
	Fair valuation of Investment in Mutual Fund	(0.43)	(0.16)	(0.02)
	Direct Assignment Income Receivable -DA	(31.01)	(14.27)	(38.83)
	Total Deferred Tax Liabilities	(96.80)	(38.27)	(87.83)
	Total Asset/(Liability) (Net)	166.86	187.12	154.65
12	Other Non - Financial Assets	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Prepaid Expenses	2.15	1.28	1.23
	Balance with Government Authorities	10.77	4.23	5.46
	Advances to staff	2.31	2.68	1.36
	Advance to Suppliers	6.84	11.88	3.99
	Total	22.07	20.08	12.05
13	Trade Payables	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Total outstanding dues of micro enterprises and small enterprises	-	-	-
	Total outstanding dues of other than micro enterprises and small enterprises	21.59	4.36	16.19
	Total	21.59	4.36	16.19



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11 Property, Plant & Equipment

Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets	Right of Use Assets
At March 31, 2022	13.64	17.42	5.90	9.64	21.02	67.62	7.79	0.26	75.67	17.94
Addition	-	0.86	0.87	15.94	2.48	20.15	0.86	-	21.01	-
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	0.26	0.26	-
At September 30, 2022	13.64	18.28	6.77	25.58	23.51	87.77	8.65	-	96.42	17.94
Addition	(0.00)	1.18	0.40	0.00	1.27	2.86	-	-	2.86	-
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	0.00	-	0.00	-	-	0.00	-
At March 31, 2023	13.64	19.46	7.17	25.58	24.78	90.63	8.65	-	99.28	17.94
Addition	-	5.09	1.34	-	4.18	10.61	-	-	10.61	-
Disposal	-	1.73	0.67	1.67	4.15	8.23	-	-	8.23	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At 30th Sept, 2023	13.64	22.82	7.84	23.91	24.80	93.01	8.65	-	101.66	17.94

Accumulated Depreciation / Amortisation	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Computer	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets	Right of Use Assets
At March 31, 2022	2.30	7.96	4.04	5.73	14.60	34.63	4.26	-	38.89	5.75
Change for the period	0.11	0.69	0.55	0.55	1.56	3.46	0.49	-	3.95	1.39
Disposal	-	-	-	-	-	-	-	-	-	-
At September 30, 2022	2.41	8.65	4.59	6.29	16.15	38.09	4.75	-	42.84	7.14
Charge for the period	0.11	0.73	0.57	1.58	1.32	4.31	0.50	-	4.81	1.39
Disposal	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	2.52	9.38	5.16	7.87	17.48	42.40	5.25	-	47.65	8.54
Charge for the period	0.11	0.86	0.67	1.59	1.73	4.97	0.47	-	5.44	1.39
Disposal	-	1.55	0.63	1.18	3.95	7.31	-	-	7.31	-
At 30th Sept, 2023	2.62	8.69	5.21	8.28	15.25	40.06	5.72	-	45.78	9.93

Net Carrying Value	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Computer	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets	Right of Use Assets
At March 31, 2023	11.12	10.08	2.01	17.71	7.30	48.23	3.40	-	51.63	9.40
At 30th Sept, 2022	11.23	9.63	2.17	19.30	7.35	49.68	3.91	-	53.59	10.80
At 30th Sept, 2023	11.02	14.12	2.63	15.62	9.55	52.95	2.93	-	55.88	8.01



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(all Amounts are INR in million, unless otherwise stated)

14	Debt Securities (At Amortised Cost)	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Secured Debenture			
	11.95% Listed, Secured, Redeemable, Non Convertible Debenture of Rs.100000 Each (400 Unit as at 30.09.2023, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	400.00	-	-
	12.20% Secured, Redeemable, Non Convertible Debenture of Rs.100000 Each (4,028 Unit as at 30.09.23, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	402.80	-	-
	11.20% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (2,22,654 Unit as at 30.09.23, 2,22,654 Unit as at 31.03.23 & 2,22,654 Unit as at 30.09.22)	222.65	222.65	222.65
	11.80% Secured, Redeemable, Non Convertible Debenture of Rs.10,000 Each (Nil Unit as at 30.09.23, 34,550 Unit as at 31.03.23 & 34,550 Unit as at 30.09.22)	-	345.50	345.50
	12.39% Secured, Redeemable, Non Convertible Debenture of Rs.10,000 Each (48,750 Unit as at 30.09.23, 48,750 Unit as at 31.03.23 & 48,750 Unit as at 30.09.22)	487.50	487.50	487.50
	Market Linked Secured, Redeemable, Non Convertible Debenture of Rs.10 Lakh Each (368 Unit as at 31.03.23, 368 Unit as at 31.03.22 & NIL Unit as at 30.09.22)	368.00	-	368.00
	13.15% Secured, Redeemable, Non Convertible Debenture of Rs.10 Lakh Each (Nil Unit as at 30.09.23, Nil Unit as at 31.03.23 & 378 Unit as at 30.09.22)	-	378.00	-
	11.80% Secured, Redeemable, Non Convertible Debenture of Rs.10 Lakh Each (200 Unit as at 30.09.23, 200 Unit as at 31.03.23 & 300 Unit as at 30.09.22)	200.00	300.00	200.00
	11.30% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (2,88,750 Unit as at 30.09.23, 2,88,750 Unit as at 31.03.23 & 2,88,750 Unit as at 30.09.22)	288.75	288.75	288.75
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of Rs.1 Lakh Each (2,500 Unit as at 30.09.23, 2,500 Unit as at 31.03.23 & NIL Unit as at 30.09.22)	250.00	-	250.00
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of Rs.10 Lakh Each (200 Unit as at 30.09.23, 200 Unit as at 31.03.23 & NIL Unit as at 30.09.22)	200.00	-	200.00
	12.20% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (2,48,655 Unit as at 30.09.23, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	248.66	-	-
	12.20% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (2,48,655 Unit as at 30.09.23, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	248.66	-	-
	8.52% Secured, Redeemable, Non Convertible Debenture of Rs.1 Lakh Each (4,900 Unit as at 30.09.23, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	490.00	-	-
	Unsecured Debenture			
	5,59,348 Debt Component of 15% Unsecured, Redeemable, CCD of Rs. 1230 Each (At 31-03-2023 - 6,24,388 & At 30-09-2022 - 6,24,388)	48.43	147.05	104.73
	Less: Unamortised borrowing costs	(55.44)	(18.76)	(33.59)
	Total	3,800.01	2,150.69	2,433.55
	i) Debt Securities in India	3,800.01	2,150.69	2,433.55
	ii) Debt Securities Outside India	-	-	-
	Total	3,800.01	2,150.69	2,433.55



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15	Borrowings (at Amortized Cost)	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Term Loans			
	Secured			
	From Banks	6,608.33	5,287.18	5,465.50
	From Financial Institutions	6,235.51	5,332.26	5,854.11
	Loans repayable on demand from banks - cash credit	2.13	72.16	72.35
	Overdraft from banks - Secured against Fixed Deposit	1,518.79	721.33	1,684.40
	Loans from Related Parties:			
	From Directors and their relatives	123.78	96.43	-
	Inter Corporate Deposit	30.00	-	-
	Less: Unamortised borrowing costs	(141.60)	(82.27)	(101.65)
	Total	14,376.93	11,427.08	12,974.72
	i) Borrowings in India	14,376.93	11,378.62	12,974.72
	ii) Borrowings Outside India	-	407.75	-
	Total	14,376.93	11,427.08	12,974.72
16	Subordinated Liabilities	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Liability component of Compound Financial Instruments			
	1,58,535 10% OCRPS issued at face value at Rs.10 each (At 31-03-2023 - 3,10,972 & At 30-09-2022 - 3,10,972)	190.75	359.28	385.85
	Unsecured			
	15%, Unsecured Subordinated Term Loan in India	250.00	250.00	250.00
	Unsecured Subordinated Debt outside India	-	-	-
	Total	440.75	609.28	635.85



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(all Amounts are INR in million, unless otherwise stated)

17	Other Financial Liabilities	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Interest accrued but not due on Borrowings	214.69	69.79	126.76
	Interest accrued but not due on CCD	18.30	-	18.07
	Salary & wages payable	10.79	51.22	56.03
	Other Insurance Payable	9.98	14.30	8.79
	Hospicash Insurance Payable	35.43	20.05	47.69
	Micro Insurance Payable	107.61	81.66	119.52
	Security deposits received from Borrowers	2.85	2.76	2.79
	CSR Payable	6.78	11.38	0.83
	Other Expenses Payable	7.05	2.53	6.24
	Unpaid dividend	1.17	1.53	1.17
	Dues to the assignees towards collections from assigned receivables	290.43	47.88	163.96
	Fair valuation of Derivative Contract measured Through Profit & Loss Account	-	15.84	-
	Lease Liability - Right of Use Assets	9.68	12.42	11.10
	Total	714.75	331.36	562.94
18	Provisions	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Provisions for employee benefits	22.85	12.62	19.97
	Total	22.85	12.62	19.97
19	Other Non Financial Liabilities	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	Other statutory dues	11.24	7.16	9.80
	TDS payable	31.44	8.15	25.77
	Total	42.67	15.31	35.57
20	Equity Share Capital	30th Sept, 2023	30th Sept, 2022	31st March, 2023
Authorized Shares				
1,40,00,000	Equity Shares of Rs. 10/- each (As at March 31, 2023: 1,40,00,000, As at September 30, 2023: 1,40,00,000, As at September 30, 2022: 1,40,00,000)	140.00	140.00	140.00
10,00,000	Preference Shares of Rs. 10/- each (As at March 31, 2023: 10,00,000, As at September 30, 2023: 10,00,000, As at September 30, 2022: 10,00,000)	10.00	10.00	10.00
	Total Authorized Share Capital	150.00	150.00	150.00
Issued, subscribed and fully paid-up shares:				
87,11,056	Equity Shares of (As at March 31, 2023: 84,92,334 Equity Shares, As at September 30, 2023: 87,11,056 Equity Shares, As at September 30, 2022: 84,92,334) of Rs. 10/- each fully paid up (Ordinary)	87.11	84.92	84.92
		87.11	84.92	84.92



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21	Other Equity	30th Sept, 2023	30th Sept, 2022	31st March, 2023
	A. Reserves and Surplus			
	i. General Reserve			
	Balance at the beginning of period	16.24	15.14	15.14
	Add: Transfer from statement of profit and loss	1.10	-	1.10
	Closing Balance	17.34	15.14	16.24
	ii. Special Reserve u/s 45-IC of the RBI Act,1934			
	Balance at the beginning of period	508.83	317.63	317.63
	Add: Transfer from statement of profit and loss	165.20	73.70	191.20
	Closing Balance	674.03	391.33	508.83
	iii. Securities Premium			
	Balance at the beginning of period	690.34	689.80	689.80
	Add: Share Premium on shares issued during the period	263.22	0.03	0.54
	Less: Share Issue Expenses	-	-	-
	Closing Balance	953.55	689.83	690.34
	iv. Share Based Payment Reserve			
	Balance at the beginning of period	2.38	1.21	1.21
	Add/(Less): Stock option expenditure for the period	22.31	0.57	1.68
	Less: amount transferred towards option expired unexercised	(0.36)	-	-
	Less: tr. To security premium on exercise of stock option	(0.87)	-	(0.51)
	Closing Balance	23.46	1.78	2.38
	v. Surplus in the Statement of Profit and Loss			
	Balance at the beginning of period	1,786.98	1,041.17	1,041.17
	Add : Profit for the period	807.54	356.37	938.11
	Less: Appropriations			
	Amount transfer to General Reserve	(1.10)	(0.00)	(1.10)
	Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(165.20)	(73.70)	(191.20)
	Closing Balance	2,428.22	1,323.83	1,786.98
	B. Other Comprehensive Income			
	Balance at the beginning of period	(71.08)	(22.99)	(22.99)
	Additions during the period	22.02	(14.04)	(48.09)
	Closing Balance	(49.05)	(37.03)	(71.08)
	C. Equity Component of Financial Instruments			
	i. Equity Component of CCD			
	Balance at the beginning of period	614.67	-	-
	Transactions with owners in their capacity as owners	-	621.10	614.67
	Transferred to liability component	(0.74)	-	-
	Transferred to Security Premium	(63.95)	-	-
	Closing Balance	549.98	621.10	614.67
	ii. Equity Component of OCRPS			
	Balance at the beginning of period	23.63	-	-
	Transactions with owners in their capacity as owners	-	23.63	23.63
	Transferred to Security Premium	(11.58)	-	-
	Closing Balance	12.05	23.63	23.63
	Total	4,609.56	3,029.60	3,571.98



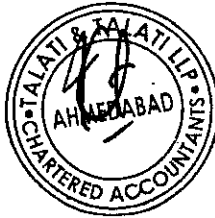
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Selected Explanatory Notes Forming Part Of The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements For The Half Year Ended September 30, 2023 (all Amounts are INR in million, unless otherwise stated)					
22	Interest Income (Amortised Cost)				
		Half Year ended on 30th Sept, 2023		Half Year ended on 30th Sept, 2022	
	Particulars	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
	Interest on Loans	2,667.33	-	1,639.08	-
	Interests on Deposits as Security	-	148.57	-	24.31
	Interests on Others	-	1.23	-	-
	Total	2,667.33	149.79	1,639.08	24.31
	Total Interest Income		2,817.13		1,663.39
23	Gain on Assignment of Financial Assets				
	Particulars	Half Year ended on 30th Sept, 2023		Half Year ended on 30th Sept, 2022	
	Gain on Assignment of Assets(Net of Expense)	124.07		-	
	Total	124.07		-	
24	Fees and Commission Income				
	Particulars	Half Year ended on 30th Sept, 2023		Half Year ended on 30th Sept, 2022	
	Processing fees Income	82.89		50.91	
	Service Fees and facilitation Charges	25.22		11.45	
	Other fees and Charges	6.00		4.02	
	Total	114.11		66.39	
25	Net Gain on Fair Value Changes				
	Particulars	Half Year ended on 30th Sept, 2023		Half Year ended on 30th Sept, 2022	
	Income from Investment in Mutual Fund- FVTPL	2.66		0.64	
	Net Gain/(Loss) on FV of derivative contracts measured at FVTPL	-		(16.65)	
	Profit on Sale of Investment	40.45		1.74	
	Total	43.11		(14.28)	
26	Finance Costs (on Financial Liabilities measured at Amortised Cost)				
	Particulars	Half Year ended on 30th Sept, 2023		Half Year ended on 30th Sept, 2022	
	Interest on Borrowings	808.91		432.13	
	Interest on Debt Securities	174.57		135.42	
	Interest on Subordinated Liabilities	18.14		18.84	
	Other interest expense	223.88		13.40	
	Other Borrowing Costs	87.25		46.10	
	Interest Expenses on Lease Liability	0.42		0.53	
	Total	1,313.18		646.43	
27	Impairment of Loan Assets (on Financial Assets measured at FVOCI)				
	Particulars	Half Year ended on 30th Sept, 2023		Half Year ended on 30th Sept, 2022	
	Bad debts written off (Net)	137.90		149.95	
	Expected Credit Loss	105.23		65.05	
	Total	243.13		215.00	



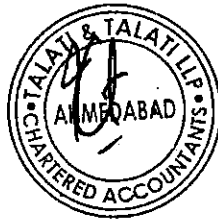
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Selected Explanatory Notes Forming Part Of The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements For The Half Year Ended September 30, 2023 (all Amounts are INR in million, unless otherwise stated)			
28	Employee Benefit Expenses		
	Particulars	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
	Salaries and wages	289.35	240.12
	Contribution to provident and other funds	21.84	16.91
	Gratuity	2.28	1.71
	Staff welfare expenses	8.88	5.42
	Total	322.35	264.16
29	Depreciation and Amortisation		
	Particulars	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
	Depreciation of Property, Plant & Equipment & Other Intangible assets	5.44	3.95
	Amortization of Right of Use Assets	1.39	1.39
	Total	6.83	5.34
30	Other Expenses		
	Particulars	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
	Electricity & fuel charges	3.05	2.80
	Repairs to Building	1.13	2.94
	Insurance	1.64	2.60
	Rent	17.97	17.23
	Rates & taxes	2.47	1.74
	Bank Charges	1.46	0.98
	Collection Charges	2.99	2.38
	Stationery & printing	2.10	3.99
	Advertisement expenses	0.01	0.01
	Communication	1.04	3.65
	Traveling & conveyance expenses	49.29	46.93
	Professional fees	24.12	13.13
	Auditor's Remuneration		
	Audit fees	1.16	1.04
	Corporate social responsibility expenditure	6.00	3.70
	Director sitting fees	0.36	0.39
	Marketing & Incentive expenses	3.72	3.12
	Net Loss on Derecognition of Property, Plant & Equipment	0.36	-
	General charges (including security charges & membership fees etc.)	11.19	10.68
	Total	130.06	117.29



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31	Tax Expenses		Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
	Current Tax		294.94	128.19
	Deferred tax		(19.62)	(17.27)
	Total tax Expense		275.32	110.92
	Total tax charge			
	Current Tax		294.94	128.19
	Deferred Tax		(19.62)	(17.27)
32	Earning Per Share:			
	Particulars	Unit	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022
	Numerator used for calculating Basic Earning per share (PAT)	Rs. in million	807.54	356.37
	Dilutive impact of Employee Share Options Scheme	Rs. in million	-	-
	Dilutive impact of Compulsorily Convertible Debentures	Rs. in million	4.75	0.13
	Dilutive impact of Optionally Convertible Redeemable Preference Shares	Rs. in million	19.78	-
	Numerator used for calculating Diluted Earning per share	Rs. in million	832.07	356.50
	Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	84,94,441	84,92,191
	Effect of dilution:			
	Dilutive impact of Employee Share Options Scheme	Shares	1,15,245	4,153
	Dilutive impact of Compulsorily Convertible Debentures	Shares	6,24,033	10,236
	Dilutive impact of Optionally Convertible Redeemable Preference Shares	Shares	3,10,139	-
	Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	95,43,857	85,06,579
	Nominal value per Share	Rs.	10.00	10.00
	Basic earnings per share	Rs.	95.07	41.96
	Diluted earnings per share	Rs.	87.18	41.91



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33 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:
List of related parties with whom transactions have taken place during the period:

A) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)
Mr. Aalok Patel (Joint Managing Director)
Mr. Vivek Modi (Chief Financial Officer)
Mr. Jaimish Patel (Company Secretary)

B) Other Directors and relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Alok Prasad	Independent Director
Mr. K. D. Shah	Independent Director (upto 12-08-2021)
Mr. Yash K Shah	Independent Director
Mr. Ramakant Nagpal	Independent Director
Mrs. Geetaben Solanki	Independent Director
Mrs. Ritaben Patel	Non Executive Director
Mr. Aakash Patel	Non Executive Director
Jayendra Patel (HUF)	Key Managerial personnel is Karta
Mrs. Sajni Patel	Relative of Key Managerial Personnel
Aalok Patel (HUF)	Key Managerial personnel is Karta
Aakash Patel (HUF)	Director is Karta

C) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year

Namra Holdings & Consultancy Services LLP	Key Managerial Personnel is partner
Raj Enterprise	Key Managerial personnel is proprietor
J. B. Patel & Co.	Key Managerial personnel is co-owner
Arman Foundation	Key Managerial personnel is Trustee

D) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Key Managerial Personnel	Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Half Year Ended September 30, 2023				
Expenses				
Remuneration & perquisites Paid	10.22	-	-	10.22
Sitting fees	-	0.37	-	0.37
Interest expenses	1.98	2.51	3.83	8.33
Rent paid	-	1.16	-	1.16
CSR Expenses	-	-	-	-
Unsecured Loan				
Unsecured Loan Taken	28.70	36.03	55.14	119.87
Unsecured Loan Repaid (Including Interest)	-	-	-	-
Half Year Ended September 30, 2022				
Expenses				
Remuneration & perquisites Paid	5.82	-	-	5.82
Sitting fees	-	0.38	-	0.38
Interest expenses	1.00	6.68	4.79	12.47
Rent paid	-	1.11	-	1.11
CSR Expenses	-	-	5.57	5.57
Unsecured Loan				
Unsecured Loan Taken	29.95	221.05	244.85	495.85
Unsecured Loan Repaid (Including Interest)	11.34	196.53	203.27	411.15

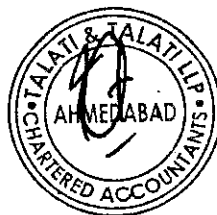


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Year Ended March 31, 2023				
Expenses				
Remuneration & perquisites Paid	14.02	-	-	14.02
Sitting fees	-	0.79	-	0.79
Interest expenses	2.58	8.92	8.09	19.59
Rent paid	-	2.22	-	2.22
CSR Expenses	-	-	10.82	10.82
Unsecured Loan				
Unsecured Loan Taken	35.86	224.68	250.47	511.01
Unsecured Loan Repaid (Including interest)	38.44	233.61	258.56	530.60
E) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:				
Expenses				
Interest expenses				
Name of relative	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023	
Aakash Patel (HUF)	1.53	1.36	2.82	
Aalok Patel (HUF)	0.02	0.01	0.03	
Aalok Patel	0.06	0.05	0.09	
Jayendra Patel (HUF)	0.17	0.15	0.32	
Jayendra Patel	1.93	0.96	2.49	
Namra Holdings & Consultancy Services LLP	3.62	9.41	12.51	
Raaj Enterprise	0.21	0.19	0.40	
Ritaben Patel	0.80	0.34	0.94	
Remuneration and perquisites				
Name	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023	
Jayendra Patel	4.48	2.15	5.63	
Aalok Patel	3.01	1.63	4.00	
Vivek Modi	2.18	1.67	3.31	
Jaimish Patel	0.56	0.37	1.08	
The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends				
Sitting Fees Paid				
Name	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023	
Ritaben Patel	0.10	0.09	0.14	
Ramakant Nagpal	0.11	0.10	0.22	
Alok Prasad	0.09	0.09	0.21	
Geetaben Solanki	0.04	0.04	0.08	
Yash Shah	0.03	0.06	0.14	
Rent Paid				
Name	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023	
J. B. Patel & Co.	0.01	0.01	0.02	
Mrs. Sajni Patel	0.11	0.11	0.22	
MR. AAKASH PATEL HUF	0.11	0.11	0.22	
Mrs. Rita Patel	0.93	0.88	1.76	
CSR Expenses				
Name	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023	
Arman Foundation	-	5.57	10.82	



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Unsecured Loans Taken and Repayments			
Unsecured loan taken			
Name of relative	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023
Aakash Patel (HUF)	21.77	20.35	21.02
Aalok PATEL (HUF)	0.21	0.20	0.21
Aalok PATEL	0.82	10.55	10.66
Jayendra Patel (HUF)	2.42	2.30	2.42
Jayendra Patel	27.88	19.40	25.20
Namra Holdings & Consultancy Services LLP	52.13	432.00	437.43
Raaj Enterprise	3.01	2.85	3.04
Ritaben Patel	11.63	8.20	11.03
Unsecured loan repayments			
Name of relative	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023
Aakash Patel (HUF)	-	0.52	23.85
Aalok PATEL(HUF)	-	0.01	0.24
Aalok PATEL	-	10.03	10.75
Jayendra Patel (HUF)	-	0.07	2.74
Jayendra Patel	-	1.32	27.69
Namra Holdings & Consultancy Services LLP	-	398.00	449.94
Raaj Enterprise	-	0.08	3.44
Ritaben Patel	-	1.13	11.97
F) Outstanding Credit Balance of Salary Payable as Follows			
i. Outstanding Credit Balance of Salary Payables as Follows:			
Name of relative	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023
Jayendra Patel	-	0.44	0.36
Aalok Patel	-	0.30	0.27
Vivek Modi	-	0.22	0.11
Jaimish Patel	-	0.08	0.08
ii. Outstanding Credit Balance of Related Parties are as follows:			
Name of relative	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023
Aakash Patel (HUF)	22.53	21.05	-
Aalok PATEL(HUF)	0.21	0.21	-
Aalok PATEL	0.85	0.56	-
Jayendra Patel (HUF)	2.50	2.37	-
Jayendra Patel	28.76	18.95	-
Namra Holdings & Consultancy Services LLP	53.79	42.98	-
Raaj Enterprise	3.14	2.94	-
Ritaben Patel	12.00	7.38	-
34 Contingent liabilities not provided for: -			
PARTICULARS	Half Year Ended September 30, 2023	Half Year Ended September 30, 2022	Year Ended March 31, 2023
(A) Contingent liabilities			
Guarantees given to banks & Fis on behalf of subsidiary company :			
Amount of guarantees	8,428.00	2,600.00	4,828.00
Amount of loans outstanding	6,437.48	1,871.70	3,821.22
(B) Disputed Demand of Tax			
Income Tax Act (Company has paid under protest Rs. 17.78 million (P.Y. Rs. 17.78 million), which is shown under "Current Tax Liability (net) / Current Tax Asset (net)"	61.32	61.32	61.32
Notes: Guarantees are given by the Company to various banks and Financial Institution on behalf of Subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.			



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35 Fair Value Measurements:								
A Financial instrument by category and their fair value								
As at September 30, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	Nil	18,192.28	-	-	-	18,192.28	18,192.28
Cash and Cash Equivalents	1	1,406.30	-	-	1,406.30	-	-	1,406.30
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	3,984.00	-	-	-	3,984.00	-	3,984.00
Investments	4	173.95	-	68.21	68.21	-	173.95	242.16
Security Deposits	5	2.90	-	-	-	-	2.90	2.90
Other Advance	5	127.15	-	-	-	-	127.15	127.15
Interest Due but not Received on Loans and Advances	5	19.10	-	-	-	-	19.10	19.10
Total		5,713.39	18,192.28	68.21	1,474.51	3,984.00	18,515.38	23,973.88
Financial Liabilities								
Other Payable	9	21.59	-	-	-	-	21.59	21.59
Debt Securities	10	3,800.01	-	-	-	-	3,800.01	3,800.01
Borrowings (Other than Debt Securities)	11	14,376.93	-	-	-	-	14,376.93	14,376.93
Subordinated Liabilities	12	440.75	-	-	-	-	440.75	440.75
Other financial liabilities	13	714.75	-	-	-	-	714.75	714.75
Total Financial Liabilities		19,354.04	-	-	-	-	19,354.04	19,354.04



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35 Fair Value Measurements:

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			Total
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	
Financial Assets								
Loans	3	-	15,367.08	-	-	-	15,367.08	15,367.08
Cash and Cash Equivalents	1	262.21	-	-	262.21	-	-	262.21
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	4,153.07	-	-	-	4,153.07	-	4,153.07
Investments	4	114.71	-	80.09	80.09	-	114.71	194.79
Security Deposits	5	2.55	-	-	-	-	2.55	2.55
Other Advance	5	163.24	-	-	-	-	163.24	163.24
Interest Due but not Received on Loans and Advances	5	10.98	-	-	-	-	10.98	10.98
Total		4,706.74	15,367.08	80.09	342.30	4,153.07	15,658.54	20,153.91
Financial Liabilities								
Other Payable	9	16.19	-	-	-	-	16.19	16.19
Debt Securities	10	2,433.55	-	-	-	-	2,433.55	2,433.55
Borrowings (Other than Debt Securities)	11	12,974.72	-	-	-	-	12,974.72	12,974.72
Subordinated Liabilities	12	635.85	-	-	-	-	635.85	635.85
Other financial liabilities	13	562.94	-	-	-	-	562.94	562.94
Total Financial Liabilities		16,623.24	-	-	-	-	16,623.24	16,623.24



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35/ Fair Value Measurements:								
As at September 30, 2022	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	12,837.25	-	-	-	12,837.25	12,837.25
Cash and Cash Equivalents	1	2,235.01	-	-	2,235.01	-	-	2,235.01
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	2,037.79	-	-	-	2,037.79	-	2,037.79
Investments	4	108.30	-	100.90	100.90	-	108.30	209.20
Security Deposits	5	46.83	-	-	-	-	46.83	46.83
Other Advance	5	61.28	-	-	-	-	61.28	61.28
Interest Due but not Received on Loans and Advances	5	13.55	-	-	-	-	13.55	13.55
Total		4,502.75	12,837.25	100.90	2,335.90	2,037.79	13,067.20	17,440.90
Financial Liabilities								
Other Payable	9	4.36	-	-	-	-	4.36	4.36
Debt Securities	10	2,150.69	-	-	-	-	2,150.69	2,150.69
Borrowings (Other than Debt Securities)	11	11,427.08	-	-	-	-	11,427.08	11,427.08
Subordinated Liabilities	12	609.28	-	-	-	-	609.28	609.28
Other financial liabilities	13	331.36	-	-	-	-	331.36	331.36
Total Financial Liabilities		14,522.78	-	-	-	-	14,522.78	14,522.78
B Reconciliation of level 3 fair value measurement is as follows:								
Loans					As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	
Balance at the beginning of the year					15,367.08	10,576.07	10,576.07	
Addition during the year					13,623.33	6,144.94	15,291.73	
Amount derecognised / repaid during the year					(10,524.48)	(3,636.12)	(9,995.20)	
Amount written off					(171.20)	(185.84)	(490.55)	
Gains/(losses) recognised in statement of profit or loss					(102.44)	(61.81)	(14.96)	
Balance at the end of the year					18,192.28	12,837.25	15,367.08	



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35	Fair Value Measurements:
C	Measurement of fair values
	I. Valuation techniques and significant unobservable inputs
	The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.
	II. Financial instruments - fair value
	The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows: Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices; Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.
	III. Transfers between levels I and II
	There has been no transfer in between level I and level II.
	IV. Valuation techniques
	Loans
	The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.
D	Capital
	The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management. Capital management The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board



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36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

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

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount		
	Half Year ended on 30th Sept, 2023	Half Year ended on 30th Sept, 2022	Year ended on 31st Mar, 2023
Retail assets (Refer Note 3)	18,192.28	12,837.25	15,367.08
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	-	-
Total	18,192.28	12,837.25	15,367.08

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups.

- a TW Loans
- b SME Loans
- c Retail Asset Channel Loans

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument



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As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs. Under ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

- 1) Analysis of historical credit impaired accounts at cohort level.
- 2) The computation consists of five components, which are:
 - a) Outstanding balance
 - b) Recovery amount (discounted yearly) by initial contractual rate.
 - c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
 - d) Collateral (security)

The formula for the computation is as below:

$\% \text{ Recovery rate} = (\text{discounted recovery amount} + \text{security amount} + \text{discounted estimated recovery}) / (\text{total POS})$

$\% \text{ LGD} = 1 - \text{recovery rate}$



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EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	As at	As at	As at
	September 30, 2023	September 30, 2022	March 31, 2023
Opening provision of ECL	668.13	653.17	653.17
Addition during the year	842.67	786.26	481.38
Utilization / reversal during the year	(740.23)	(724.46)	(466.42)
Closing provision of ECL	770.58	714.98	668.13

II

Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of Arman Financial Services Limited (Holding Company), As at September 30, 2023 is 35.15% against regulatory norms of 15%. Tier I capital is 27.74% as against requirement of 10%. Tier II capital is 7.41% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Capital adequacy ratio of Namra Finance Limited (Subsidiary Company), As at September 30, 2023 is 25.62% against regulatory norms of 15%. Tier I capital is 23.62% as against requirement of 10%. Tier II capital is 2.01% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is Rs. 69.32 million spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

III

Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

IV

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

Change in Interest rates	Half Year Ended September 30, 2023	
	50 bp increase	50 bp decrease
Bank Deposits	3,811.81	3,811.81
Impact on profit for the year	19.06	(19.06)
Variable Rate Borrowings	10,149.09	10,149.09
Impact on profit for the year	(50.75)	50.75

V

Foreign currency risk:

The Company does not have any instrument denominated or traded in foreign currency outstanding as on September 30, 2023. Hence, such risk does not affect the Company.



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37 Disclosures related to issue and redemption of securities:

A Number of shares outstanding and the amount of ordinary equity share capital is set out below:

Particulars	Half Year Ended September 30, 2023		Half Year Ended September 30, 2022		Year Ended March 31, 2023	
	No. of Shares	Paid Up Values	No. of Shares	Paid Up Values	No. of Shares	Paid Up Values
Ordinary Equity Shares:						
Outstanding at the beginning of the period	84,92,334	84.92	84,91,584	84.92	84,91,584	84.92
Issued on exercise of ESOPs during the period	1,245	0.01	750	0.01	750	0.01
Issued on conversion of OCRPSs during the period	1,52,437	1.52	-	-	-	-
Issued on conversion of CCDs during the period	65,040	0.65	-	-	-	-
Outstanding at the end of the period	87,11,056	87.11	84,92,334	84.92	84,92,334	84.92

B Number of shares outstanding and the amount of preference share capital is set out below:

Particulars	Half Year Ended September 30, 2023		Half Year Ended September 30, 2022		Year Ended March 31, 2023	
	No. of Shares	Paid Up Values	No. of Shares	Paid Up Values	No. of Shares	Paid Up Values
Preference Shares:						
Outstanding at the beginning of the period	3,10,972	3.11	-	-	-	-
Issued during the period	-	-	3,10,972	0.31	3,10,972	3.11
Converted during the period	(1,52,437)	(1.52)	-	-	-	-
Outstanding at the end of the period	1,58,535	1.59	3,10,972	0.31	3,10,972	3.11

C Number of debentures issued is set out below:

Debt Securities Issued	Half Year Ended September 30, 2023		Half Year Ended September 30, 2022		Year Ended March 31, 2023	
	Units	Paid Up Values	Units	Paid Up Values	Units	Paid Up Values
Secured Debenture						
11.30% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (C.Y. 2,88,750 Unit, P.Y. Nil)	-	-	2,88,750	288.75	2,88,750	288.75
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of Rs.1 Lakh Each (C.Y. 2500 Unit, P.Y. Nil)	-	-	-	-	2,500	250.00
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of Rs.10 Lakh Each (C.Y. 200 Unit, P.Y. Nil)	-	-	-	-	200	200.00
Market Linked Secured, Redeemable, Non Convertible Debenture of Rs.10 Lakh Each (368 Unit as at 31.03.23, 368 Unit as at 31.03.22 & NIL Unit as at 30.09.22)	-	-	-	-	368	368.00
12.20% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,48,655	248.66	-	-	-	-
12.20% Secured, Redeemable, Non Convertible Debenture of Rs.1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,48,655	248.66	-	-	-	-
8.52% Secured, Redeemable, Non Convertible Debenture of Rs.1 Lakh Each (C.Y. 4,900 Unit, P.Y. Nil)	4,900	490.00	-	-	-	-
11.95% Listed, Secured, Redeemable, Non Convertible Debenture of Rs.100000 Each (400 Unit as at 30.09.2023, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	4,000	400.00	-	-	-	-
12.20% Secured, Redeemable, Non Convertible Debenture of Rs.100000 Each (4,028 Unit as at 30.09.23, NIL Unit as at 31.03.23 & NIL Unit as at 30.09.22)	4,028	402.80	-	-	-	-
Unsecured Debenture						
15% Unsecured Compulsory Convertible Debenture of Rs. 1230 Each	-	-	6,24,388	768.00	6,24,388	768.00
	5,10,238	1,790.11	9,13,138	1,056.75	9,16,206	1,874.75



