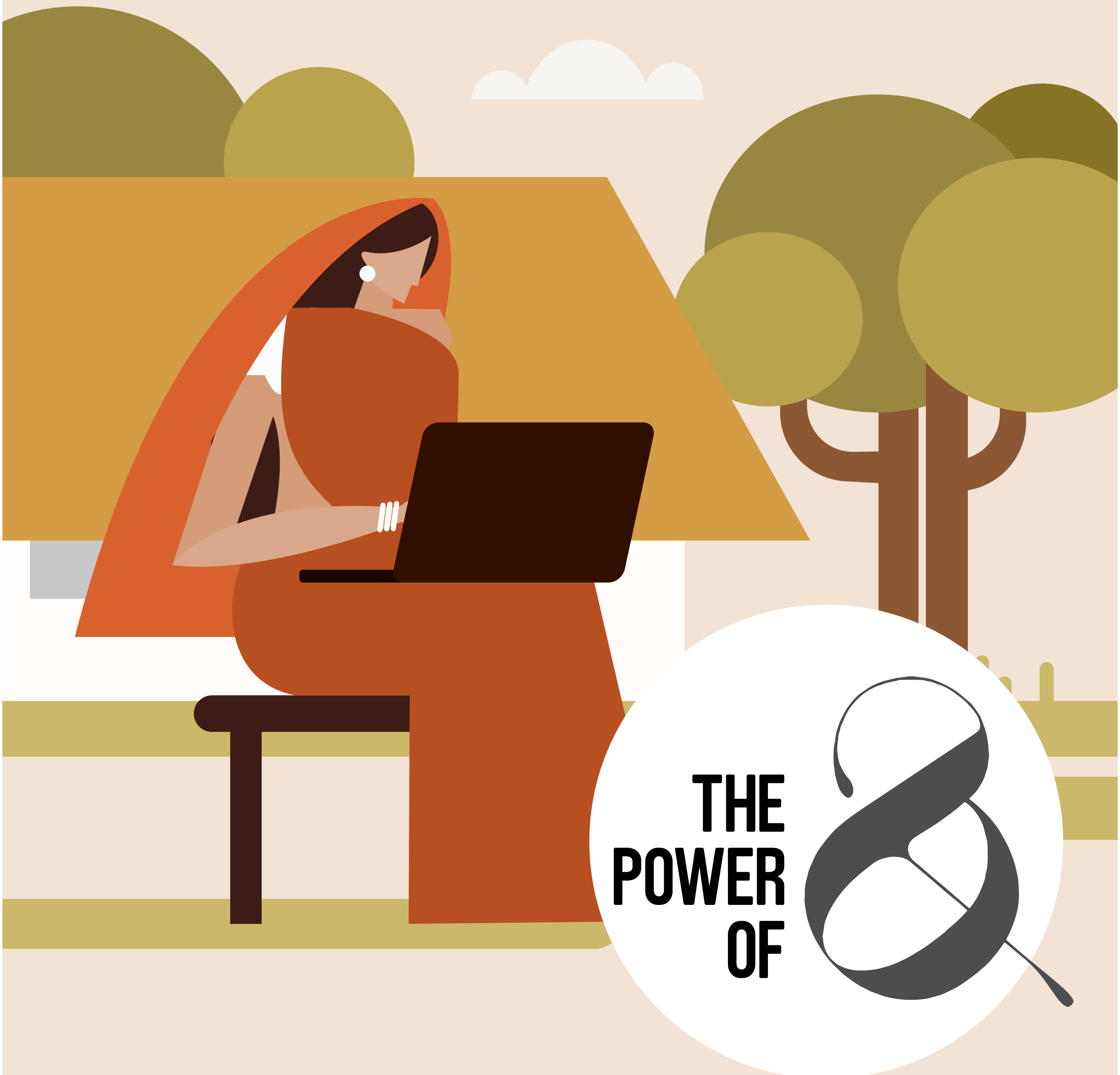
Arman Financial Services Limited



THE POWER OF 8

ARMAN FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2023-24

CONTENT

We are trust partners.
We are business managers.
We are tech teachers.
We are community builders.

& BEYOND THAT

We are new solution curators.
That's the "&" in our story.
It gives us an opportunity to achieve far more than would otherwise be possible

THE & IN OUR PRODUCT OFFERING

Our customer is not the same as she was a few years ago. Her needs have undergone a perceptible shift.

Having tested business acumen and tasted entrepreneurial success, her ambitions have scaled.

Having built a good credit history, she now aims to leverage that in her favour.

Having learnt to survive and thrive in a Group, she now aims to stand tall on her own.

She wants more money. She wants her independent identity.

Realising that this change is steadily playing out and will only gain momentum over the coming years, we introduced a new product. One that marks our entry into Secured Lending.

MICRO LOAN AGAINST PROPERTY

For high-ticket loans, one always needs security. More often than not, the only asset that could provide higher loans was the home. This reality opened our minds to Secured Lending. We launched our Micro LAP product in the last quarter of FY24.

Cognizant of the documentation verification challenges of the asset in rural locales, we created the necessary systems and processes, curated the credit filters and mitigation strategies, and made a beginning. It was a good one.

We expect this product to emerge as an important growth driver as we move forward.

THE & IN OUR SERVICE BASKET

There was a time when time did not matter. All that our customers wanted was money to live their entrepreneurial dreams. Fast forward to today, our customers desire money as of yesterday.

Having traversed some distance in their entrepreneurial journey, they realise the value of every single day.

They don't have the time, the knowledge, or the inclination to jump through 20 hoops to get the loan. They want it as simple as possible.

Moreover, once disbursed, they want to repay it as simply and conveniently as possible.

We revamped our entire LOS LMS system in keeping with this requirements, into a new comprehensive solution that automated every business operation. Our Turnaround Time (TAT) collapsed considerably.

In FY24, we supplemented our tech platform with several technological advancements.

AADHAR-BASED BIOMETRIC E-SIGN | STREAMLINED PAPERLESS LOAN ORIGINATION | AI-BASED BOT CALLING | GEO-TAGGING TRANSACTIONS | GEO-FENCING BRANCHES | FACE RECOGNITION | INTELLIGENT DASHBOARDS FOR FIELD OFFICERS | SPECIALISED APP FOR CUSTOMERS.

Our technology interventions have allowed us to enhance customer trust in our capabilities.

STATEMENT FROM VICE CHAIRMAN AND MANAGING DIRECTOR

"THANKS TO OUR CONTINUAL SHAPING OF THE COMPANY, ARMAN IS IN A RANGE OF PRODUCTS AND GEOGRAPHIES THAT WILL ALLOW US TO KEEP GROWING, EVOLVING, AND SUCCEEDING."

Dear shareholders,

I am immensely proud to present your Company's Annual report for fiscal 2023-24, which showcases our sustained progress in the face of multi-dimensional challenges. Our growth underpins our efforts to strive ahead, unfettered by external headwinds. Our business verticals, Microfinance and MSME, demonstrated tremendous resilience in registering a 35% and 44% growth in AUM respectively over the previous year.

Beyond the performance and growth, FY24 was an important milestone as it stamped an indelible watermark on our business model and strategies on many accounts.

We crossed the ₹2,500 AUM mark along with record profits and margins. Our credit rating by CARE moved a notch higher from BBB+ (Stable) to A- (Stable). As I pen this letter, Acuité Ratings has also upgraded us from A- (Stable) to A (Stable).

Another noteworthy achievement was the successful closure of our QIP of ₹230 crore during Q3 of the year. I sincerely thank our incoming investors for their unwavering trust and confidence in us. Their support clearly reflects the potential they see in our future endeavours and the strength of our vision.

This successful QIP not only strengthens our financial position but also paves the way for us to explore new opportunities and reach greater heights. We are excited about our long-term potential and look forward to a fruitful partnership with our investors as we continue to strive for excellence and innovation in all our ventures.

Our new product

We are seeding a new Micro-LAP product, and our pilot launch in Q4 marks Arman's foray into the Secured Mortgage loan space. We will provide secured business loans in rural areas with a ticket size ranging from ₹3-10 lakh with a tenure of 2 to 7 years.

Seeding this product will add an important growth lever over the long term and allow us to add diversity to the microfinance heavy loan book.

Microfinance, the road ahead

We predict that the established concept of JLG Loans will likely evolve and be replaced with much smaller groups or individual products over the next 3-5 years with significantly increased underwriting. There are several reasons for this – prominent among them are:

First, customers themselves want to get out of it. This is especially true for customers with a great credit history. Increased penetration by non-MFI players into the rural space has given more options to customers with rich credit histories, and many customers do not wish to be encumbered into the group setting with joint liability. They want loans conveniently.

Second, owing to increasing competition in the microfinance space, group sizes are shrinking. With an increasing trend of cashless EMI repayments, customer attendance in group meetings is also declining. This trend will accelerate going forward.

Third, ticket size and, consequently, the EMIs have increased significantly and will continue to do so in the future, bringing them very close to individual products. As a result, the JLG concept will get further diluted.

By introducing new products, we are future-proofing ourselves. We are ensuring that we have other offerings to serve our customers in the face of changing trends.

MSME, the climb has only started.

MSMEs face a credit gap of US$530 billion. This issue must be addressed, especially as MSMEs are considered as major plank of India's economic growth, contributing 30% to GDP, 48% to exports, and the second largest employer after agriculture.

A large section of the MSME sector is forced to access credit from informal sources with high interest rates and adverse, unsustainable terms. The government has been cognisant of this aspect and has come up with multiple policy support mechanisms, but much more needs to be done. MSMEs need greater access to collateral-free bank loans aligned with a cash flow assessment. MSMEs are also rooting for indirect financing to bridge the funding gap.

You cannot expect everything to come from the Government. While they are doing their bit, the private sector needs to step up their efforts in supporting industrialisation at the bottom of the value chain. This will make a considerable difference in job creation and economic progress.

The runway for MSME financing is pretty significant over the coming years. We will focus on growing and evolving this product vertical over the coming years.

Winding up...

Thanks to our continual shaping of the company, Arman is in a range of products and geographies that will allow us to keep growing, evolving, and succeeding. As India prepares to move a fast foot forward to higher efficiency, I continue to be optimistic.

Warm regards
Jayendra Patel
Vice-Chairman & Managing Director

From then to now

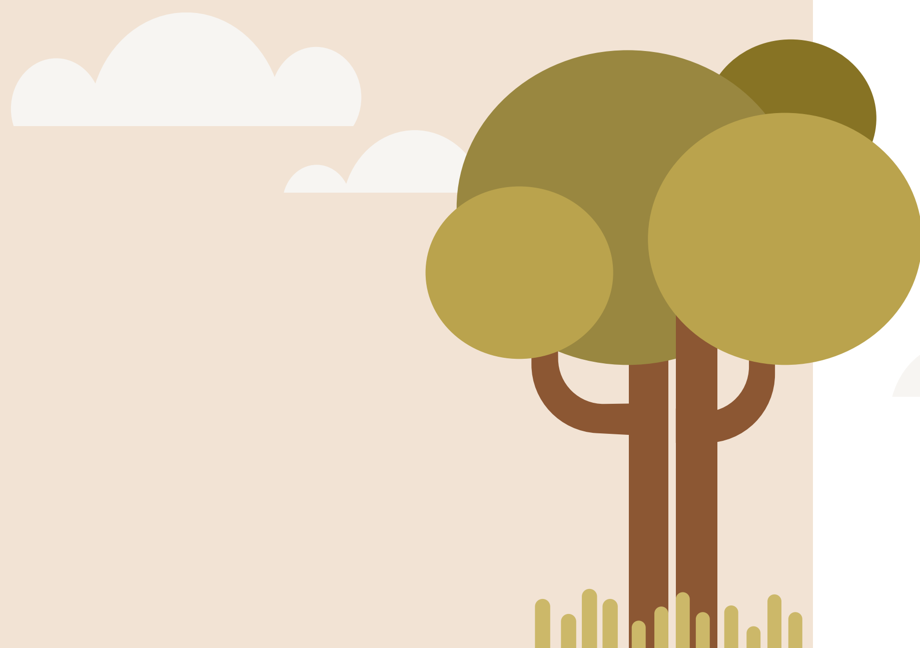
The Microfinance industry has experienced remarkable growth over the past two decades, a testament to its increasing acceptance and positive impact on society.

Since we entered this space in 2010, Microfinance has evolved significantly. The average loan size has increased from 8,000 in 2010 for 1-year loans to over ₹45,000 with a 2-year repayment cycle. This stability has funded families and communities for more meaningful endeavours, contributing to the sector's stellar growth.

Then, the total portfolio of the entire industry was ₹20,000 crore. Currently, it stands at about ₹4.5 lakh crore. Earlier, we used to manage to cherry-pick customers. For that cherry-picking, sectoral players now have to move slightly higher into the tree.

The tables have turned to a very large extent. There was a time when customers viewed the microfinance executive as a saviour because the funding appeared as the salvation lifeline for the woman and the family.

Fast forward to now, customers are spoilt for choice. And competition has become intense between microfinance players. We compete on three aspects: 1) Service because our customer wants a hassle-free loan experience, 2) We compete on a quick turnaround because our customers need the money yesterday, and 3) We compete on ticket sizes as our customers need more money.



We are not just any Financier.
WE ARE FINANCIERS WITH A HEART.

We do not simply fund requirements.
WE HANDHOLD TO IMPROVE THEIR LIVELIHOOD.

We are hardly visible in urban pin codes.
WE WORK VERY HARD IN RURAL AREAS.

We do not simply focus on our returns.
WE INVEST IN YOUR WELL BEING.

WE ARE ARMAN FINANCIAL SERVICES LIMITED

200+
Our management team boasts over 100 years of collective experience in the lending industry.

Headquartered in Ahmedabad, India, we are a diversified NBFC specialising in financing aspirations and businesses within underserved rural and semi-urban retail markets. Our tailored loan products fit individual circumstances and income levels, ensuring everyone has a chance to succeed. Our streamlined loan processing enhances their morale and livelihoods.

OUR DIVERSE LENDING SOLUTIONS

MICROFINANCE
Supporting individuals and families with financial tools to achieve their aspirations.

MICRO-ENTERPRISE (MSME)
Fueling small businesses, the backbone of our rural economy.

TWO-WHEELER LOANS
Facilitating mobility and income generation opportunities.

VISION

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

VALUES

- To help those who are at the bottom of the financial pyramid.
- Work innovatively with vigour and dedication to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- Earn the trust and confidence of all stakeholders, surpass their expectations and make the Company a respected household name.
- Consistently achieve high growth and superior levels of productivity.
- Be a technology-driven, efficient and financially sound organisation.
- Contribute towards community development and nation building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and, above all, the people.
- Promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals by encouraging ideas, talent and value systems.
- Uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

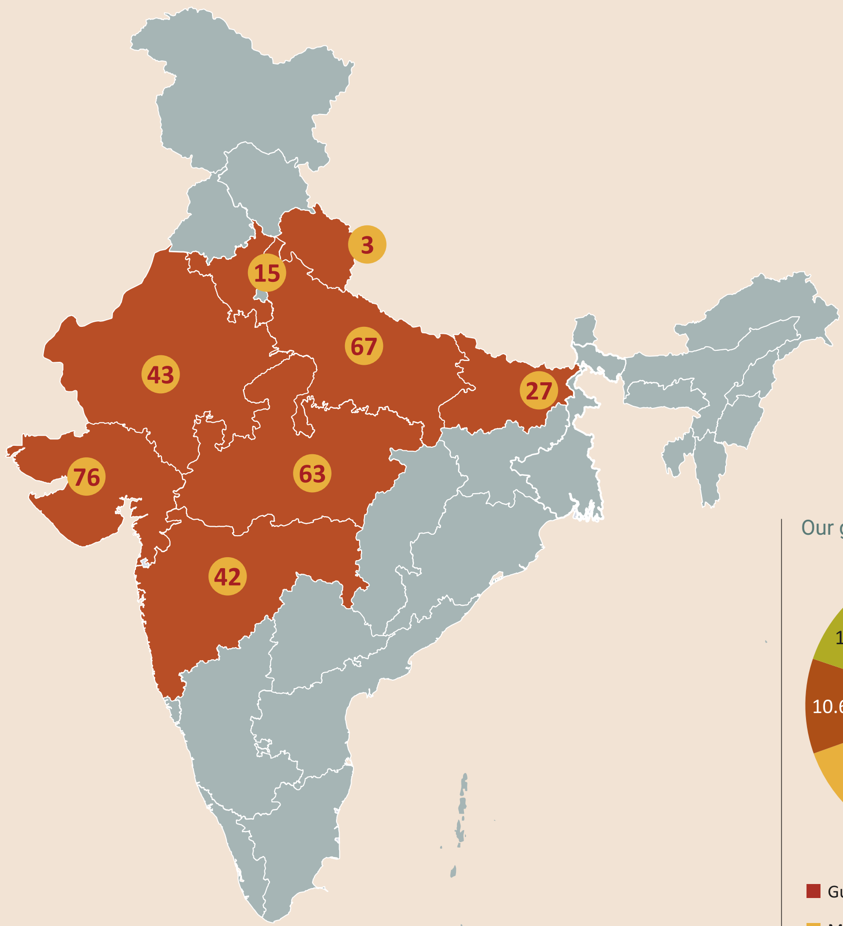
2,639
Assets under Management, FY24
(₹ crore)

2,297
Disbursements, FY24
(₹ crore)

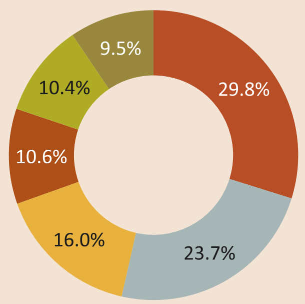
662
Gross Revenue, FY24
(₹ crore)

174
Profit after Tax, FY24
(₹ crore)

OUR PRESENCE



Our geographic AUM mix



149	402	800,000+	3,142
Districts	Branches	Active Customers	Loan officers

OUR LENDING PARTNERS

Bank Borrowings

AU Small Finance Bank, IDFC First Bank, Karnataka Bank, Bank of India, Union Bank, Ujjivan Small Finance Bank, SBI, Bank of Baroda, Axis Bank, ICICI Bank, Federal Bank, CSB Bank, Bank of Maharashtra, South Indian Bank, Kotak, SBM Bank, IDBI Bank, DCB Bank, Capital Small Finance Bank, Punjab National Bank, Canara Bank, Dhanlaxmi Bank, HDFC Bank, Utkarsh Small Finance Bank, Indian Overseas Bank

Non-Bank Borrowings

sidbi, Manappuram Finance Limited, JM Financial, Piramal, Oxyzo, Nabkisan Finance Limited, Credit Saison, vivriti, NABARD, Tata Capital, OIKO Credit, Northern Arc, UGRO, Hinduja Leyland Finance, Bajaj Finserv

Securitization Partners

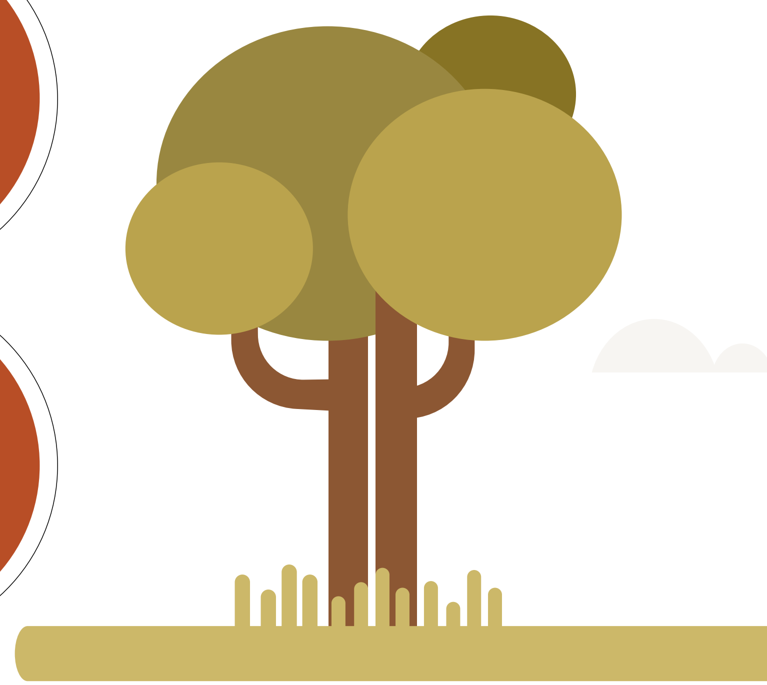
AU Small Finance Bank, SBI, IDFC First Bank, DCB Bank, IndusInd Bank, Annapurna Finance, Axis Bank, Hinduja Leyland Finance, Jana Small Finance Bank, Kotak, Bank of Maharashtra, ICICI Bank, niyogin

NCDs & ECB

Agents for Impact, symbiotics

51+	1,730
Relationships with Banks & FIs	Amount drawn down in FY24 (₹ crore)

A- (Stable Outlook)	MFI-1
CARE Ratings (For Arman & Namra)	Grading awarded to Namra



THE & IS OUR EDGE IN AN OTHERWISE COMPETITIVE LANDSCAPE.

Product & People

We focus on small-ticket retail loans to the large, under-served informal segment customers in rural & semi-urban geographies. Since our inception, microfinance has been our key breadwinner and profitability driver. About 90% of our loans disbursed in FY24 were to this audience and in these geographies.

Prowess & Process

Leveraging our multi-decadal experience in this business space, we have kept our entire operations in-house with bottom-up-driven credit appraisal models and rigorous collections practices tailored to our areas of operations. This ensures that we have complete control of our business operations.

Quality & Quantity

We maintain a conservative operations framework that focuses squarely on minimising the risk quotient to ensure good asset quality. This is reflected in robust credit rating and a Net NPA of 0.3% as of March 31, 2024. While our rejection rate is high, our customers have increased progressively. We will always be ready to sacrifice quantity in exchange for quality.

Trust & Tech

As our world graduated to digitalisation, we invested in high technology and digitalisation solutions to enhance our customer service levels. While enhancing their convenience of securing and repaying loans, we trained our customers to help them identify and avoid incidences of fraud. Our continuing efforts have cemented their trust in our brands. Our disbursements are entirely cashless; 15-20% of our receipts are also cashless.

Depth & Diversity

Our patient endeavours to widen our geographic reach and entrench ourselves into rural locales have opened our minds to interesting business opportunities that have the potential to sustain our growth momentum. We leveraged the insights gained to add new growth levers to our operating model.

Challenge & Change

The experience in managing the cyclicality in our business space has helped us create adequate buffers in the organisation to manage approaching challenges and sufficient flexibility to tweak the operating model to navigate adversities. While our core culture and values remain consistent, we are constantly changing to adapt to new challenges and opportunities.

Adaptability & Agility

Our strategy of keeping and managing all business operations in-house has made us increasingly adaptable. Whether it is regulatory compliances or sectoral headwinds. Our speed of adaptability has been a key pillar of our success.

Tradition & Transformation

We remain squarely focused on our Traditional business, Microfinance. And while we do that, we get feelers of emerging trends and opportunities that are synergic to our core. This has helped us get into MSME financing and, more recently, pilot the Micro LAP product.

Growth & Governance

Our strong governance platform has ensured that we remain compliant with all the rules and regulations that govern us. Our unwavering focus on upholding governance and transparency has only helped us consistently grow faster than the sectoral average. Our improving credit rating testifies to our strict compliance ethos.

Patience & Progress

Our patience is our defining edge. Be it in product launches or geography expansion. We take considerable time to ideate and pilot a product to understand its nuances, pitfalls, and success factors. We get all out into the market only when it clears all our filters and goals. Slow and steady wins the race.

QUARTERLY PROGRESS

FIRST QUARTER, FY24

(Change over the corresponding period of the previous year)

54.5%	41.6%	89.5%	154.2%
Growth in AUM	Growth in Total Disbursement	Growth in Gross Total Income	Growth in Profit after Tax

Management Commentary: Our positive results are due to a combination of factors. Favourable credit cycles and a supportive regulatory environment have created a conducive landscape for growth. The meticulous efforts of our team, combined with rigorous underwriting standards and cutting-edge technology, have been instrumental in significantly enhancing the quality of our loan portfolio. Through these combined strengths, we have successfully restored our portfolio to a level nearly on par with pre-COVID benchmarks.

SECOND QUARTER, FY24

(Change over the corresponding period of the previous year)

60.5%	92.8%	73.1%	104.9%
Growth in AUM	Growth in Total Disbursement	Growth in Gross Total Income	Growth in Profit after Tax

Management Commentary: The microfinance industry has demonstrated exceptional resilience amidst a challenging global environment marked by volatility and geopolitical tensions. This has translated into our Q2 numbers. New rules from the RBI have created a good landscape for microfinance companies to grow and sustain their success over the long term. Moreover, the vast untapped market potential presents a compelling opportunity for expansion in the medium term. We are strategically positioned to capitalise on this growing landscape and drive significant growth within the industry.

THIRD QUARTER, FY24

(Change over the corresponding period of the previous year)

48.4%	17.4%	63.8%	91.1%
Growth in AUM	Growth in Total Disbursement	Growth in Gross Total Income	Growth in Profit after Tax

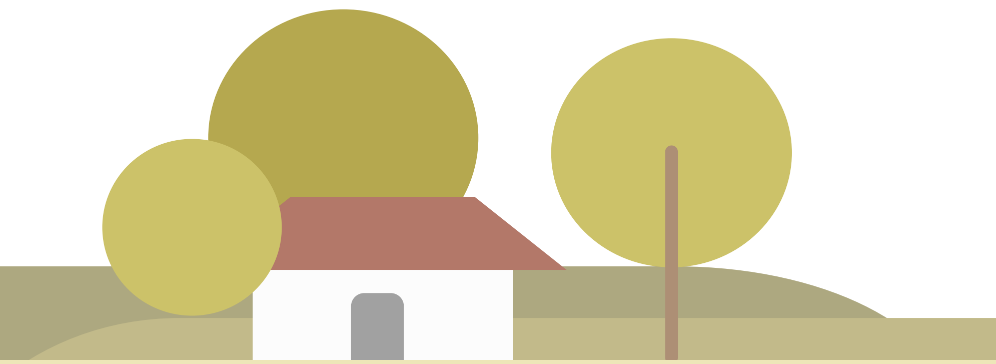
Management Commentary: The Company achieved a significant milestone during the quarter by successfully completing a Qualified Institutional Placement (QIP), raising INR 230 crore. The offering garnered strong investor interest and participation from prominent institutional investors, underscoring their confidence in our robust business model. This successful capital raise marks a pivotal juncture in our journey to expand financial inclusion in rural India. The proceeds will be strategically allocated to expand our geographic footprint, strengthen our market leadership in microfinance, MSME, and two-wheeler loans, and enhance our operational efficiency.

FOURTH QUARTER, FY24

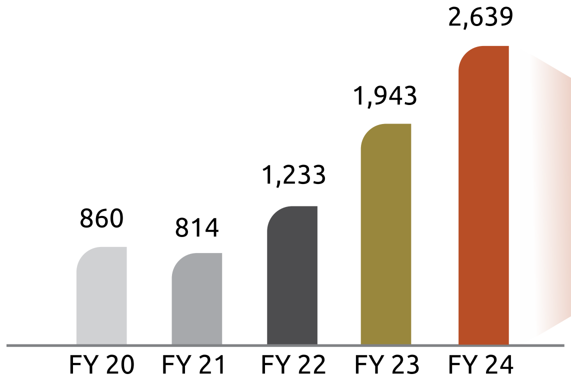
(Change over the corresponding period of the previous year)

35.8%	5.9%	22.6%	40.4%
Growth in AUM	Growth in Total Disbursement	Growth in Gross Total Income	Growth in Profit after Tax

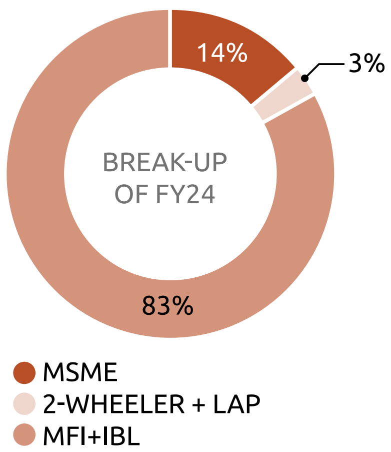
Management Commentary: : Our proactive business strategy has consistently driven substantial growth while maintaining exceptional asset quality and collection efficiency. This commitment to excellence has enabled us to expand our geographic footprint successfully, demonstrating promising results in new markets. We are confident in achieving our strategic goal of surpassing INR 5,000 crores in Assets Under Management while preserving a prudent debt-to-equity ratio. Our robust financial foundation and well-articulated growth strategies position us favourably for continued expansion and success.

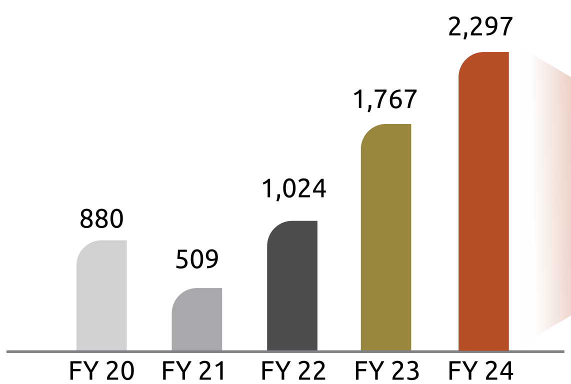


PASSION & PERSEVERANCE

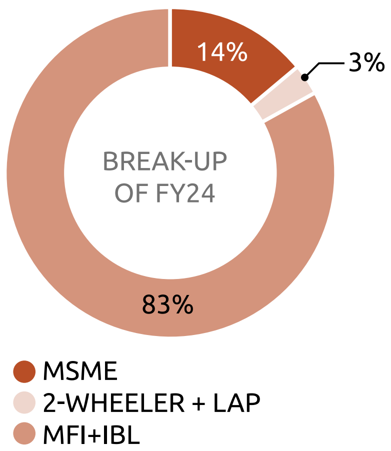


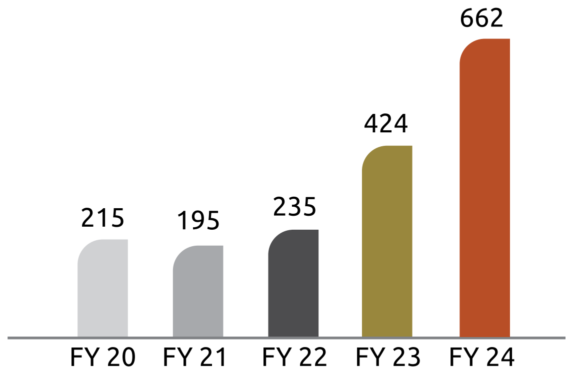
ASSETS UNDER MANAGEMENT
(₹ CRORE)



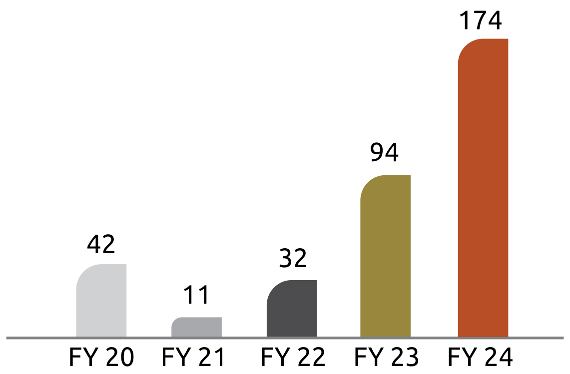


DISBURSEMENT
(₹ CRORE)

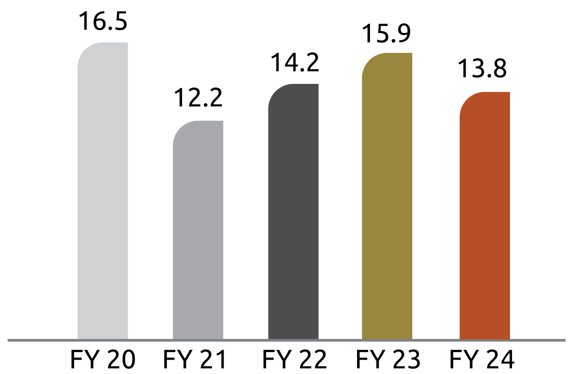




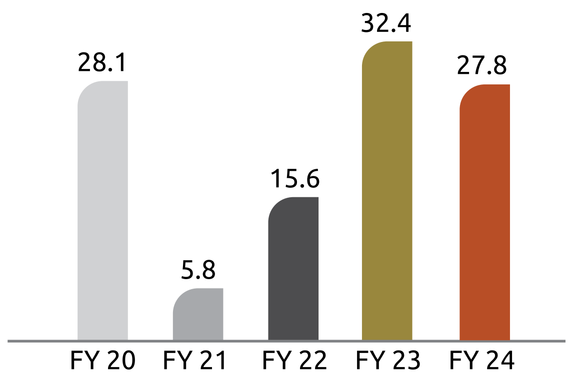
GROSS TOTAL INCOME
(₹ CRORE)



PROFIT AFTER TAX
(₹ CRORE)



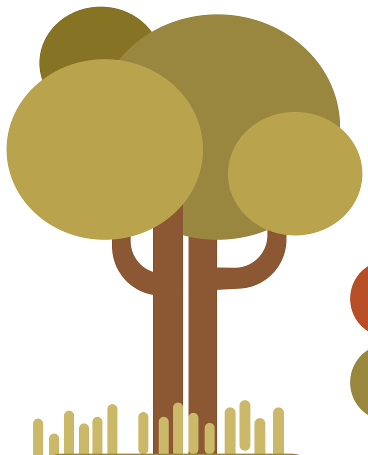
NET INTEREST MARGIN
(%)



RETURN ON AVERAGE EQUITY
(%)

25 minutes with the Joint Managing Director

WE WILL GROW TO A LEVEL THAT MATCHES OUR RISK APPETITE AFTER CAREFULLY MONITORING THE EVOLVING GROUND SITUATION. OUR FOCUS IN THE SHORT TERM WILL BE HEAVILY SKEWED TOWARDS MAINTAINING AND IMPROVING ASSET QUALITY.



Our Safety Net

Our cumulative provisions stood at ₹90 crore, which is 3.4% of the consolidated assets under management.

Q: YOU HAVE ENDED FY24 WITH A GREAT SET OF NUMBERS. COULD YOU TAKE US THROUGH THAT?

A: It was a year of significant growth for us. Our disbursement surged by approximately 30% to about ₹2,300 crore. Our Assets under Management at a consolidated level stood at ₹2,639 crore against ₹1,943 crore on 31st March 2023, marking a robust growth of 36%.

Our total income for the year scaled by 57% year-on-year – from ₹252 crore in FY23 to ₹396 crore in FY24. The pre-provisioning operating profit stood at ₹293 crore, registering a growth of 73% year-on-year compared to ₹170 crore in FY23. Profit after taxes stood at ₹174 crore, registering a growth of 85% year-on-year compared to ₹94 crore in FY23. Our gross non-performing assets, which is GNPA, stood at 2.88% and net non-performing assets, which is NNPA, were at a low of 31 basis points for the period ended 31st March 2024.

The growth numbers are appreciably higher than expectations. Arman has always embraced a progressive approach, which has been instrumental in sustaining growth while maintaining asset quality and collection efficiency.

This growth was further supported by a favourable economic environment post-COVID, as I mentioned, and also by the revised regulatory framework issued by the Reserve Bank of India in 2022.

Q: IT IS REMARKABLE THAT YOUR COMPANY HAS BEEN ABLE TO SUSTAIN A HIGH GROWTH RATE IN A POST-COVID SCENARIO. WHAT HAS BEEN THE SUCCESS MANTRA?

A: Following the initial two years of COVID-induced stress, the economy has significantly recovered over the past two financial years. This rebound has positively impacted sectors such as ours, particularly microfinance and the MSME lending sectors.

Consequently, the industry has experienced steady and sharp growth over the last two years, with all parameters reflecting excellent results. Key indicators such as disbursements, AUM growth, operating expenses, cost of borrowing, and asset quality have all shown improvements or remained stable, demonstrating the resilience and adaptability of the industry.

The sector maintained its momentum over the last two years, largely without major setbacks, resulting in record profits and growth. As many people will be aware, our industry is cyclical with up- and down-movements in credit market. Post-COVID, we were fortunate to be in a post-covid upcycle and a favourable regulatory environment. This, coupled with a reasonably good execution, allowed us to end the year with record profit margins.

Effective risk management practices and efficient last-mile credit delivery to customers bolstered Arman's growth. Consistent performance and positive developments have laid a solid foundation for continued growth in the sector in the long run. As a testament to this, the credit ratings for both Arman and Namra were upgraded to A- with a stable outlook by CARE Ratings in March 2024.

Q: IN TERMS OF GEOGRAPHIC EXPANSION, THE COMPANY HAS BEEN CAUTIOUSLY AGGRESSIVE. HOW DID THE EXPANSION STRATEGY PAN OUT IN FY24?

A: Regarding branch expansion, we have opened 67 new branches over the last 12 months, bringing our total branch count to 402. This expansion has been complemented by successful penetration into new states and geographies, where performance has been promising.

Our expansion into Bihar, Haryana, Jharkhand, and Telangana is gaining traction. In Jharkhand, we currently have 9 branches and plan to open an additional 10 to 15 branches within the first two-quarters of FY25. In Telangana, we have initiated operations for our MSME vertical, and our Microfinance business will commence operations in FY25. Additionally, we will also be entering Karnataka within the current year.

Regarding collections, our experience in Bihar and Jharkhand has been very positive so far. However, all this said, I consider FY 23 and 24 to be the honeymoon period, which will not last indefinitely. As of today, we are already seeing signs of stress in the market. We will better understand the changing credit culture over the next 12-18 months.

Q: ALL THIS SOUNDS PRETTY POSITIVE. BUT CAN YOU EXPAND ON YOUR STATEMENT ABOUT CREDIT CULTURE? WE SEE A CHALLENGE IN COLLECTIONS. WHAT IS YOUR TAKE ON THAT?

A: We acknowledge minor concerns that have emerged, particularly regarding the uptick in provisions and impairment costs.

It is worth noting that various macroeconomic indicators and observations from the Reserve Bank of India have pointed to mounting pressures on asset quality across the unsecured retail space. While historically, Arman has showcased superior asset quality, we recognise that in the long run, we are not immune to the overall market scenario, and at our size and scale, we cannot be outliers.

In response, we have taken aggressive provisioning measures and refrained from utilising any available overlays. Additionally, we are intensifying our efforts to monitor and enhance quality and collections. This includes creating a dedicated team of 300 members focused on collection efforts and elevating our underwriting standards. The Company is taking several other measures in recognition of increased repayment issues.

Q AS YOU INDICATED, THIS IS HAPPENING ACROSS THE INDUSTRY; WHAT REASONS WOULD YOU ASCRIBE TO THIS TREND?

A I believe the issue cannot be attributed to a single factor; it is not merely a fallout of rural incomes but something deeper.

Culturally, India is shifting from a saving mindset to a borrowing culture. As people borrow more, it is reflected in higher slippages, particularly in small-ticket loans in the rural segment and across all segments. If you compare the total household debt today to what it was 3-5 years ago or pre-COVID, there is a significant increase. In my opinion, overleveraging appears to be a key reason for the rise in slippages.

Another reason, in my opinion, is cultural. People are now more accustomed to the easy availability of credit. The deep penetration by microfinance players and their drive for growth has significantly enhanced credit availability. To add to that, the availability of non-MFI loans to rural customers has increased drastically, with many banks and NBFCs tailoring their existing products to reach emerging rural pockets.

Post-COVID, we witnessed one of the best credit cycles imaginable. For at least two years, everything we disbursed post-COVID performed exceptionally well, surpassing my expectations.

But as I mentioned before, our business is cyclical and governed by short-term credit cycles, and there is some uptick in the slippages. We will have to monitor it and take it in our stride. Arman has historically excelled in managing down-cycles, and any credit costs are absorbable. I see no reason to be overly concerned about this except for the short-term pain and lower disbursements leading to lower growth.

Q YOU COMPLETED A LARGE QIP IN FY24, WHICH IS QUITE AN IMPORTANT MILESTONE. HOW DOES THAT SUPPORT YOUR GROWTH ASPIRATION?

A We successfully completed fundraising through a Qualified Institutional Placement (QIP) of ₹230 crore, which ensures we are adequately capitalised for future growth. Completing this QIP is a significant milestone in our journey towards enhancing financial inclusion in rural India. The participation from various marquee investors underscores their confidence in our business model and growth strategy. We are thankful to the incoming investors for the trust that they have -- they reposed on us.

These funds will further solidify our presence in the market by expanding our footprint and strengthening positions in key verticals, including microfinance, MSME and other loan segments. The equity capital will be used in executing our growth plans of achieving ₹5,000 crore of Assets under Management with a healthy capital adequacy and debt-equity ratio.

We have substantial liquidity of about ₹180 crore in cash and bank balance, liquid investments and undrawn CC limits with a comfortable debt-to-equity ratio of 1.8 times and a healthy capital adequacy ratio of 62.7% on a stand-alone basis. Our subsidiary, NAMRA, has a capital adequacy of 32.8%. And, thanks to the recent QIP, we are well-capitalised to progress steadily forward.

This solid finance foundation, combined with our strategic initiatives, positions us well for continued growth and success. Interestingly, after the QIP and the recent upgrade in our credit rating by CARE, we saw our marginal borrowing rates drop by about 50 bps in the last quarter.

Q I UNDERSTAND THAT YOU ARE STARTING A NEW HIGH-TICKET RURAL PRODUCT. WHAT IS THIS PRODUCT?

A After considerable deliberation, we piloted the Micro LAP product. It is at a very preliminary stage. We have done about 22 transactions in the last couple of months of FY24, about ₹1.7 crore.

The ticket size of this product ranges between ₹3-10 lakh for a 2-7 years tenure. We have all the required capabilities and intellectual capital to create the mortgage. This will be our edge because, in rural locations, paperwork is the primary challenge which deters many others from foraying into this mortgage lending space. Other than this, I believe that this is a fantastic product.

Q HOW DO YOU SEE THE MICROFINANCE BUSINESS PANNING OUT IN THE CURRENT YEAR?

A The question of expected growth has been on our minds for the last several months. Historically, we target approximately 35% growth on average year-on-year. However, our growth spurts are opportunistic, and our growth decelerates during times of uncertainty in the market. Therefore, we are not keen on giving any growth projections this year except to say that we will grow to a level that matches our risk appetite after carefully monitoring the evolving ground situation. Our focus in the short term will be heavily skewed towards maintaining and improving asset quality.

Q WHAT IS YOUR GEOGRAPHIC EXPANSION PLAN FOR FY25?

A We plan to add about 65-70 new branches plus certain split branches which is the target for Bihar and Jharkhand areas. Having tested the Telangana market with the MSME business, which gained good traction, we are fairly certain about growing our presence in the state. Moreover, we will take our microfinance vertical to that state, too. Also, we are studying the possibility of entering Karnataka in the current year.

Q WHERE DO YOU SEE THE MSME BUSINESS SPACE MOVING?

A Our MSME vertical is growing at a very satisfying pace, although there is a large difference in the portfolios between MSME and Microfinance. The MSME business has also been growing faster at 40-50%. And at least towards the second half of FY24, disbursements increased quite a bit. Thanks to our robust credit filters, the recent repayment issues faced in the MFI vertical have not been as pronounced in the MSME vertical. As such, we expect MSME to grow faster this year in comparison with our MFI vertical

MANAGEMENT DISCUSSION & ANALYSIS

RESILIENCE IN THE ECONOMIC LANDSCAPE

Global: The global economy saw strong growth in 2023. Chinese consumer spending returned to normal after COVID-19 restrictions were lifted at the beginning of the year. Also, the US economy picked up pace spurred by new fiscal support and unexpectedly strong household spending. In 2023, global factories had a weak finish owing to the contraction of the Eurozone activity and Asia's manufacturing powerhouses taking a hit due to China's patchy economic recovery.

Global growth is forecasted to maintain a modest pace. While risks of intensifying human conflict and spiked inflation persist, advanced and some large emerging economies promise to support economic progress.

(Source: IMF, Fitch ratings and Ernst and Young)

India: The star shone even brighter as the nation's resilience accelerated India's economic resurgence. With the nation's GDP recording one of the highest growth in the past decade, India cemented its position as the fastest-growing major economy for a successive year.

Sustained government investment in infrastructure creation fuelled economic activity. The manufacturing sector has emerged as a key driver of this growth, witnessing a surge of 9.9% in 2023-24, a stark contrast to (2.2)% growth registered in the previous year.

Headline inflation, which averaged 5.4% annually, saw a notable decrease of 1.3 percentage points attributed to a decline in supply chain pressures and a widespread moderation in core inflation indicators.

India's foodgrain production for the 2023-24 crop year is expected to decrease by 6.1% due to inadequate monsoon rains influenced by the El Nino weather pattern. Despite banks disbursing a record amount of agricultural loans exceeding ₹24 trillion in FY24 (surpassing the ₹20 trillion target), regional disparities persist. In response to this disparity, officials have outlined initiatives to address the issue.

NABARD is collaborating with banks to enhance the credit culture. The effort includes offering collateral through social guarantees or specialised funds and developing insurance products tailored to the region's needs.

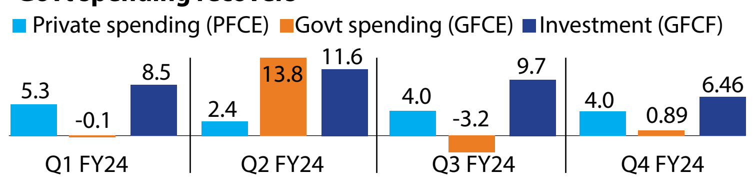
As rural demand gains momentum, consumption is anticipated to be crucial in strengthening economic growth. The outlook for agriculture and rural activities appears promising, supported by a robust rabi wheat crop, and anticipated normal monsoon conditions facilitate optimistic prospects for Kharif crops.

With the incumbent government returning to the centre in the recently concluded general elections, there is optimism that some next-generation structural reforms will continue, and welfare economics may also receive undivided focus.

(Source: The Economic Times and Financial Express)

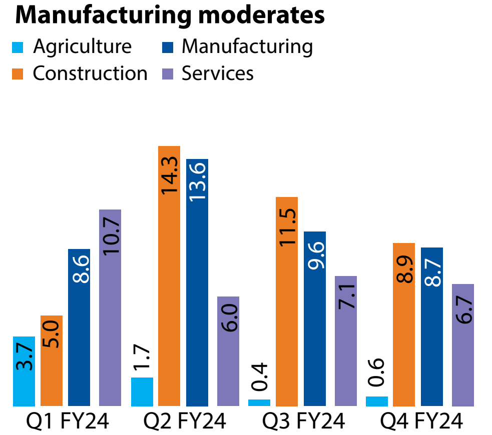
STATE OF THE ECONOMY

Govt spending recovers



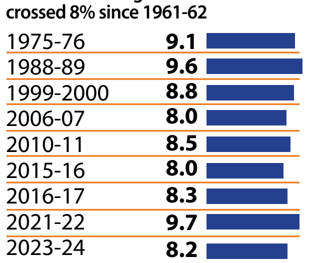
PFCE: Private final consumption expenditure GFCE: Government final consumption expenditure GFCF: Gross fixed capital formation

Manufacturing moderates



A LOOK BACK

Nine times GDP growth rates crossed 8% since 1961-62



A NARRATIVE ON OUR OPERATING ENVIRONMENT

Rural India:

The disparity between rural and urban economic performance widened significantly during the pandemic, which dented rural demand. Subsequently, unfavourable weather conditions added to the rural woes, posing substantial roadblocks to economic growth in rural areas.

However, the ever-resilient rural segment bounced back with vigour – two-wheeler demand, an important barometer of rural India's resurgence, revealed an uptick in rural demand – it registered healthy growth in FY24.

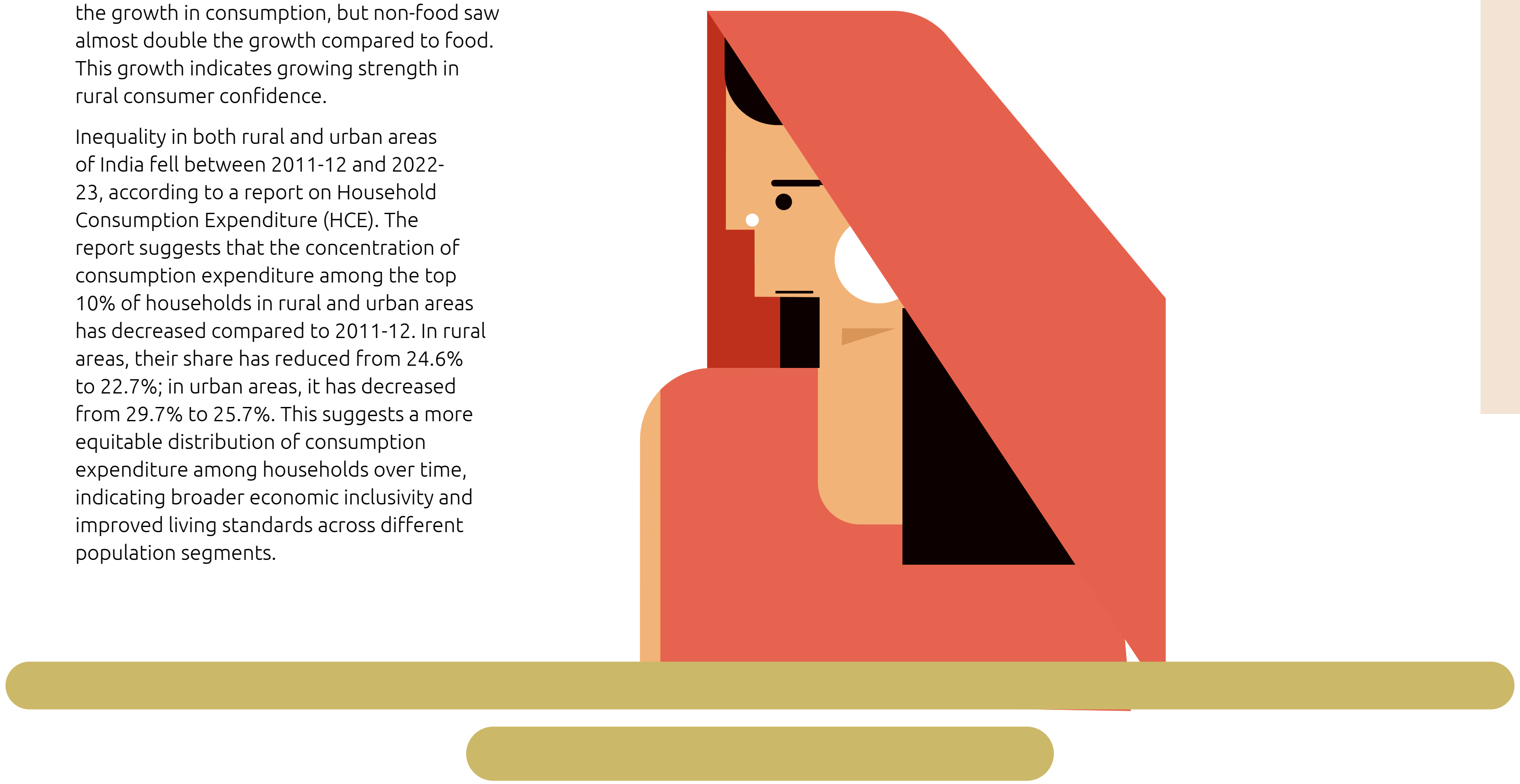
Additionally, the FMCG industry experienced a 6.5% growth in volume terms at a national level in the January-March period of 2024, with rural consumption surpassing urban for the first time in five quarters, according to consumer intelligence firm NielsenIQ. Both the food and non-food sectors contributed to the growth in consumption, but non-food saw almost double the growth compared to food. This growth indicates growing strength in rural consumer confidence.

Inequality in both rural and urban areas of India fell between 2011-12 and 2022-23, according to a report on Household Consumption Expenditure (HCE). The report suggests that the concentration of consumption expenditure among the top 10% of households in rural and urban areas has decreased compared to 2011-12. In rural areas, their share has reduced from 24.6% to 22.7%; in urban areas, it has decreased from 29.7% to 25.7%. This suggests a more equitable distribution of consumption expenditure among households over time, indicating broader economic inclusivity and improved living standards across different population segments.

The share of overall consumption expenditure held by the bottom 50% of households has increased since 2011-12, reaching 31.8% in rural areas and 28.6% in urban areas. In 2011-12, these figures were 30.9% for rural areas and 25.9% for urban areas.

Increased rural FMCG consumption helps microfinance organisations in several ways. As the demand for these products grows, more jobs will be created, boosting the local economy. This economic growth means more people might need loans from microfinance institutions (MFIs).

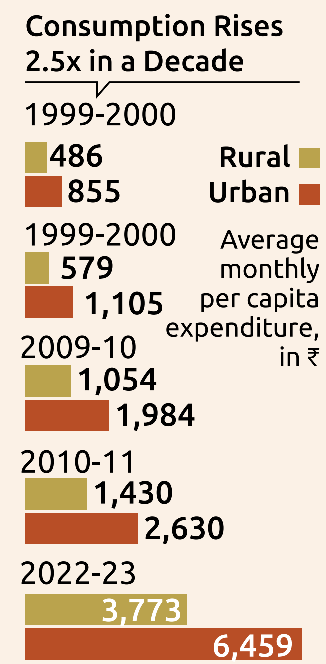
With more potential borrowers, MFIs can offer larger loans and sometimes at lower interest rates. They can also design services specifically for people selling these goods, like farmers and small shop owners. This support helps rural entrepreneurs succeed and strengthens the financial system in these areas.

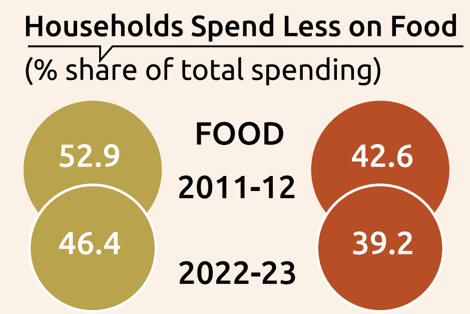


Urban and rural household consumption

The results of the Household Consumption Expenditure Survey (HCES) 2022-23 gave interesting insights into India's urban and rural household consumption patterns. The gap between urban and rural household consumption has narrowed, and Indian household spending on non-food items has risen.

Household spending increased 2.6 times in rural areas and 2.5 times in urban areas since the last survey, conducted in 2011-12. In 2022-23, the average monthly per capita expenditure in rural areas was ₹3,773, compared with ₹6,459 in urban areas. The gap between urban and rural consumption has narrowed to 1.71 times in 2022-23 from 1.8 times in 2011-12. Rural households spent 46% on food and the rest on non-food items, whereas urban households spent 39% on food in 2022-23.





Social Welfare Programmes Increasing Consumption

(avg monthly per capita expense, in ₹)

	Without social welfare programmes and home produce	Including social welfare programmes and home produce
Rural	3,773	3,860
Urban	6,459	6,521

Women from rural India and employment:

Rural women face numerous cultural, economic, psychological, and physical barriers that hinder their path to financial independence. It is important to empower women with equal authority in financial decision-making as men, recognising that their stability is vital not only for themselves but also for the prosperity of future generations.

Taking charge of personal finances enhances self-confidence and empowers women to play an equitable role in family and community decisions. Achieving financial independence also shields women from predatory lending practices and other forms of financial exploitation.

With the right support, rural women can make a big difference in their communities. Their strength, creativity, and deep knowledge of local life can boost the economy, improve social welfare, and create a better future for their families and themselves.

Over the past five years, there has been a significant increase of over 70% in the employment of rural women aged 15 and above in India.

In 2022-2023, approximately 41% of these women were employed, up from about 24% in 2017-2018, according to Periodic Labour Force Survey data.

Normally, this would be cause for celebration, particularly given India's recent trend of declining women's employment from an already low base. However, there is little cause for celebration.

While more rural women are engaging in paid work, approximately 40 million more women have been employed in agriculture since 2017-2018. Their incomes have not kept pace with the rising cost of living.

On average, self-employed women, many of whom work in agriculture, earned ₹4,792 per month in real wages in 2022-2023, which is nearly 4% less than what they earned in 2017-2018 (₹4,973).

NBFCs play a crucial role in addressing gender imbalances for women by providing financial inclusion and empowerment opportunities. They offer targeted financial products such as microfinance and small business loans catering to women entrepreneurs.

A recent survey by IndiaLends revealed that over 90% of women contribute to household expenses, with nearly 40% chipping in with more than 50% of their income.

The most important work motivation for 1/3rd of the women polled was financial independence; 26% said they were working to support their families and, 21.6% to improve self-confidence, about 6.7% of respondents said they worked to keep themselves occupied.

Their courage changed their world and ours.

KISAN CHACHI

Rajkumari Devi, popularly referred to as "Kisan Chachi," overcame gender biases and societal expectations to become a symbol of women's empowerment. From a humble background in Bihar, she pursued education despite an early marriage that challenged societal norms. Rajkumari became a successful farmer and entrepreneur, establishing her line of pickles and jams. Her story of perseverance and achievement inspired women to enter agriculture, earning her the prestigious "Kisan Shree" award and the esteemed Padma Shri for her contributions to agriculture and women's empowerment.

TREE MOTHER

Saalumarada Thimmakka, known as the "Tree Mother" of India, created a lasting legacy of environmental conservation. Alongside her husband, she planted thousands of trees to combat deforestation. Her commitment to tree planting, organic farming, and rainwater harvesting led to her being awarded the Padma Shri in 2019. Thimmakka's enduring influence continues to motivate environmentalists and conservationists worldwide, highlighting the impact of individual efforts in creating a sustainable and greener planet.

AN INSIGHT INTO OUR BUSINESS SPACES

Microfinance

From humble origins of providing small-ticket loans to individuals with limited resources, the microfinance sector has evolved, aiming to foster greater financial inclusion across the nation. This evolution has seen it transition into a comprehensive banking service offering a wide array of financial products tailored to meet the diverse needs of its expanding customer base.

Banks have diversified their offerings to cater to their growing clientele's full spectrum of financial requirements. This has resulted in customers establishing multiple touchpoints with their financial service providers (banks), leading to stronger and more enduring relationships. Consequently, what began as microfinance has now evolved into microbanking.

Nevertheless, challenges persist. The diversity among customer segments, which include small-scale farmers, vendors, and labourers, poses ongoing hurdles. Additionally, there remains a prevalent reliance on physical modes of interaction, limited awareness of financial services among borrowers, and difficulties in effectively reaching the most remote borrowers.

Microfinance institutions must redouble their efforts to address these challenges. This includes enhancing financial and digital literacy initiatives targeted at low-income households. Microfinance players can further their inclusive economic growth and empowerment mission by empowering these communities with knowledge and access to financial services.

Performance of the NBFC-MFI segment: According to the Microfinance Industry Network (MFIN), the total loan portfolio of the microfinance sector grew by 24.5% to reach ₹4.33 lakh crore by March 31, 2024, up from ₹3.48 lakh crore a year earlier.

In terms of borrower outreach, the sector served 7.8 crore unique borrowers through 14.9 crore loan accounts. NBFC-MFIs had the largest share in total outstanding loans at ₹1.7 lakh crore, accounting for 39.4% of the sector's portfolio, followed by banks with ₹1.4 lakh crore (33.2%). Small finance banks (SFBs) held ₹74,278 crore (17.1%), while NBFCs and other MFIs accounted for 9.3% and 0.9%, respectively.

MFIN also reported a 15.4% increase in active loan accounts compared to the previous year, indicating sustained growth in the microfinance sector. Overall, the sector's portfolio expanded by 25.4% year-on-year. Banks, which saw slower growth last year (FY23) at 4.5%, rebounded with a healthier 20.9% growth this year (FY24). In contrast, NBFC-MFIs reported a growth of 23.6% in FY24, down from 37.7% the previous year (FY23).

MSME Scenario

A survey by the National Innovation Centre for Rural Enterprise (NICRE) reveals that businesses operating in rural areas increasingly recognise potential avenues for expansion. However, despite these promising opportunities, the survey highlights persistent obstacles stopping them from fully achieving their goals. Key challenges identified include affordable housing availability, transport infrastructure deficiencies, and broadband capacity limitations. The survey reveals two sides of rural economies: businesses are hopeful about growing because of new opportunities but struggle with problems like these.

Additionally, those who manage to establish themselves in the market and generate early-stage revenue face further difficulties, such as inadequate working capital, challenges in adopting technology, and constraints in diversifying their product range. These combined challenges underscore the complex environment in which rural businesses operate, balancing growth potential with the practical realities of infrastructure and operational limitations.

According to a report by EY, the credit penetration for Micro, Small, and Medium Enterprises (MSMEs) in India stands at a mere 14%, which starkly contrasts with more developed economies like the US and China, where credit penetration rates are 50% and 37%, respectively. This discrepancy underscores a substantial credit deficit of approximately ₹25 trillion for Indian MSMEs, indicating a vast untapped potential in the credit market.

In 2023, the Indian MSME sector faced both positives and challenges. Many businesses adapted well by embracing digital changes and online selling after the COVID-19 pandemic. But they still struggled with problems like securing adequate finance, dealing with unclear rules, and finding skilled workers. These issues show how MSMEs are flexible yet need more support to grow smoothly.

MSMEs face a funding crunch.

With a 30 per cent share of the economy's GDP and 45 per cent share of the total employment, MSMEs are the growth engines of the Indian economy. However, despite its importance in shaping the country's socio-economic development, MSMEs face a major challenge in obtaining sufficient financing, with an estimated credit gap of ₹33 trillion. According to an IFC report, formal credit supply addresses only USD 165 billion (₹10.9 trillion) worth of MSME financing needs. The overall finance demand by MSMEs is ₹69.3 trillion, with 70 per cent of the credit requirement attributed to filling working capital.

Incentivising MSME Growth: Recognising the vital role micro, small, and medium enterprises (MSMEs) play in the nation's economic landscape, the Indian government plans to boost this key sector. A comprehensive plan is being formulated to streamline and strengthen the existing incentive schemes offered to MSMEs. This initiative aims to simplify access to these benefits and significantly enhance their impact.

One key strategy explored involves production-linked incentive (PLI) schemes. These programs incentivise domestic manufacturing, and the Government is looking at ways to provide additional benefits to large manufacturers who source their materials and components from MSMEs. This move would create a win-win situation, fostering growth within the MSME sector while strengthening domestic supply chains.

Furthermore, the Ministry of Micro, Small, and Medium Enterprises (MSME) actively promotes the establishment and development of agro-based industries across India. Through the well-established Prime Minister's Employment Generation Programme (PMEGP), spearheaded by the Khadi and Village Industries Commission (KVIC), aspiring entrepreneurs in rural and urban areas receive invaluable support in setting up new ventures. The PMEGP program, focusing on the non-farm sector and particularly agro-based industries, aims to unlock the immense potential of these enterprises and empower individuals to become successful business owners.

This approach by the Government signifies a strong commitment to empowering MSMEs and propelling them towards a future brimming with growth and prosperity.

NBFCs step in where traditional banks may not, offering MSMEs fast and convenient access to credit. They provide collateral-free loans, a big help for small businesses. Additionally, NBFCs offer valuable financial advice and expertise that can significantly boost MSMEs' success.

These services enable MSMEs to grasp how to secure and utilise credit effectively, which is particularly advantageous for those new to the financial world. Overall, NBFCs serve as a valuable link for Indian MSMEs seeking capital and financial guidance. They offer a range of services and products that support growth and enhance success.

A DISCUSSION OF OUR BUSINESS

About our business

Arman Financial Services Limited is a Non-Banking Financial Company (NBFC-AFC) registered with the RBI. It specialises in financing two-wheeler purchases to MSMEs and extends microfinance services through its subsidiary, Namra Finance Ltd (an NBFC-MFI), focusing on women entrepreneurs.

The Company has a presence in eight states, strategically focusing on rural and semi-urban areas. It serves the underserved informal sector with small-scale retail loans, utilising internally managed operations and employing meticulous credit evaluation and collection practices tailored to its operational scope.

Our business verticals

MICROFINANCE

46.5
Average Ticket Size (₹ '000)

58.0%
Growth in Total Income y-o-y

MSME LOANS

75.9
Average Ticket Size (₹ '000)

42.7%
Growth in Total Income y-o-y

TWO-WHEELER LOANS

72.2
Average Ticket Size (₹ '000)

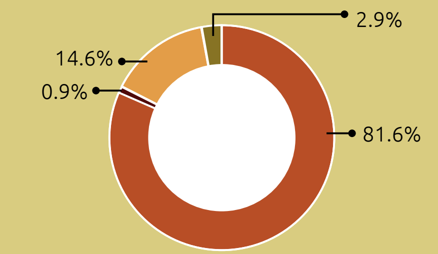
6.6%
Growth in Total Income y-o-y

INDIVIDUAL BUSINESS LOANS

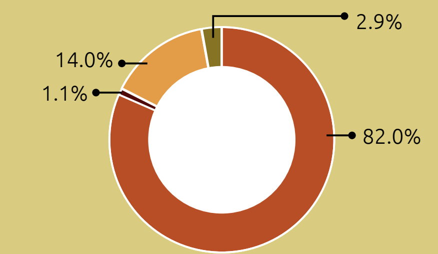
79.3
Average Ticket Size (₹ '000)

12.1%
Growth in Total Income y-o-y

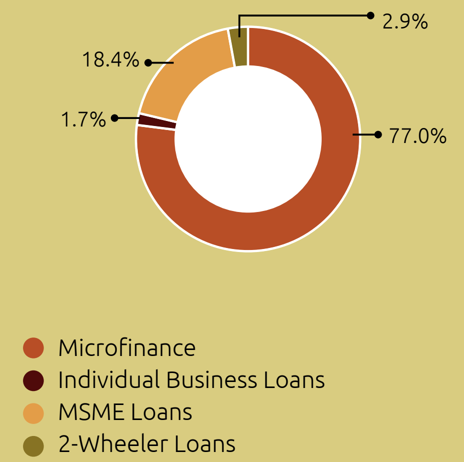
DISBURSEMENT SPLIT, FY24



ASSETS UNDER MANAGEMENT (AUM) SPLIT, FY24



TOTAL INCOME SPLIT, FY24

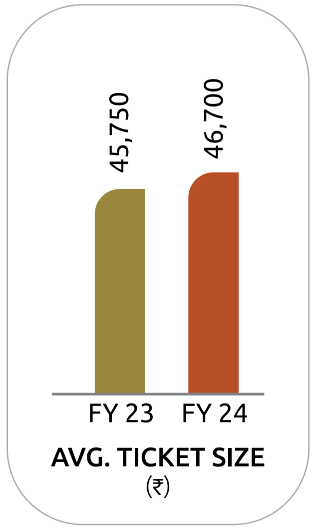


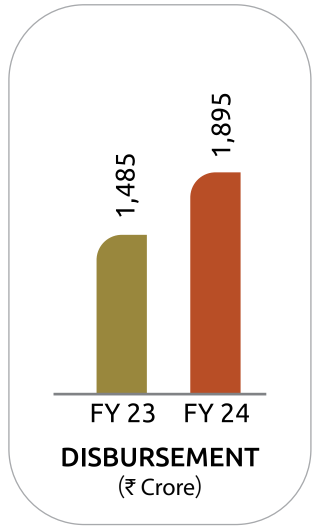
Business vertical-1

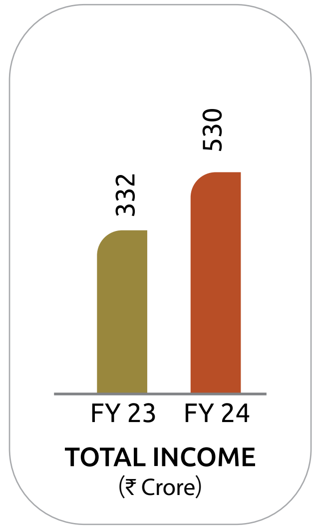
INSTILLING BELIEF IN RURAL INDIA THROUGH OUR MICROFINANCE VERTICAL.

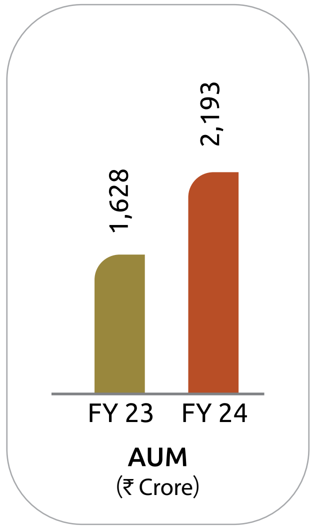
Through its subsidiary Namra, Arman provides small ticket loans to women borrowers for income-generating activities. From a humble beginning in [year], the Company has come a long way to emerge as a respected and recognised player in the NBFC-MFI space. The microfinance business is the Company's flagship vertical and has opened new business avenues. The experience and learning from this vertical have been leveraged to create flanking revenue verticals.

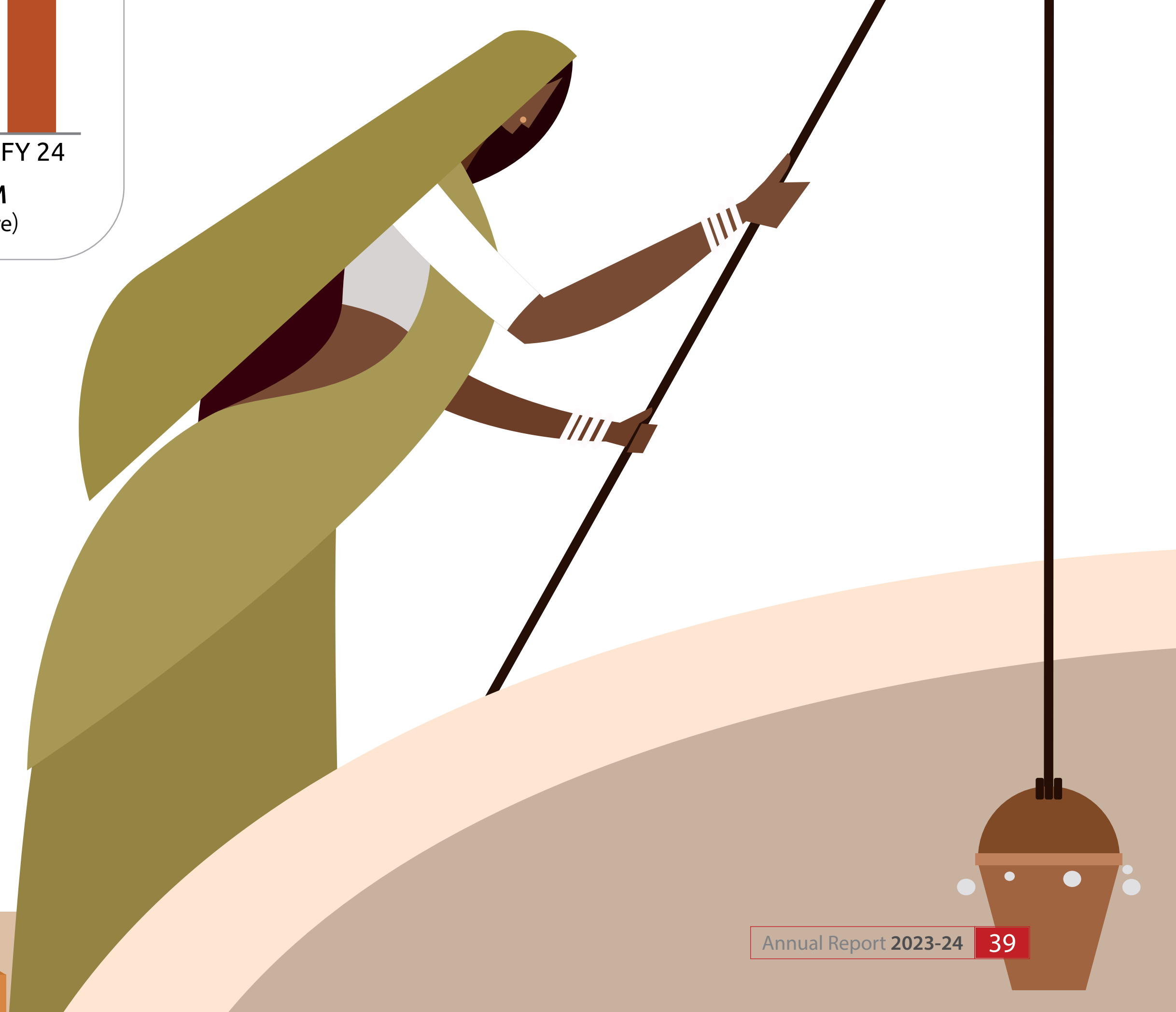
OPERATING MODEL	OPERATING PRESENCE
High touch monthly collection model	**10** STATES
Rural concentration: ~89.3% rural & semi-urban portfolio (vs 70% for MFI industry)	
Conservative risk framework	**319** MFI BRANCHES
100% Cashless disbursement	
JLG groups formed by customers themselves	**6.97** LAKH ACTIVE CUSTOMERS
Loan utilisation checks to ensure loan for income generating purpose	
Controlled growth targets driven by bottom-up projections	











Performance in FY24

The growth momentum experienced in the sector during FY 23 extended into FY 24, driven particularly by the growing presence of rural-based microenterprises, including small shops, service providers and cottage industries. This rise in enterprises resulted in a substantial increase in demand for credit.

Key performance metrics such as disbursements and Assets under Management (AUM) highlighted this rapid growth.

Disbursements escalated from ₹1,485 crore in FY 23 to ₹1,895 crore in FY 24, while AUM surged from ₹1,628 crore to ₹2,193 crore over the same period.

During the year, the Company introduced and piloted a new financial product, Loan Against Property. It is aimed at rural markets to help support local businesses, livelihoods, and agriculture where access to financial services is limited. This product is expected to boost economic activities and strengthen community support.

Business vertical-2

NURTURING INDIA'S MANUFACTURING SECTOR AT GROUND ZERO THROUGH MSME LOANS

This business vertical is an outcome of the Company's learnings from its microfinance vertical.

Launched in 2017, Arman's strategic business expansion has proven highly successful. Its interaction at the ground-zero level provided the knowledge of the humungous opportunity to serve the burgeoning MSME sector mushrooming across India.

The Company took a cautious approach by offering MSME loans to MSMEs in states where it enjoyed an entrenched footprint (through its microfinance operations), arming it with knowledge of people, culture, business environment, credit ecosystem and the works.

Presently, this sector delivers Arman's highest Return on Assets (ROA). Furthermore, with the Government's enhanced emphasis on bolstering the MSME sector, the future outlook for this segment appears notably promising.

OPERATING MODEL

Dual credit bureau check for both customer and spouse on CRIF (for MFI loans) and CIBIL (for non -MFI loans)

High-touch monthly cash collection model

Cash Flow assessment using tailored appraisal techniques

Locally drawn field force with personal knowledge of the market

In-house teams for pre-lending field investigations and appraisals with centralized final credit approval

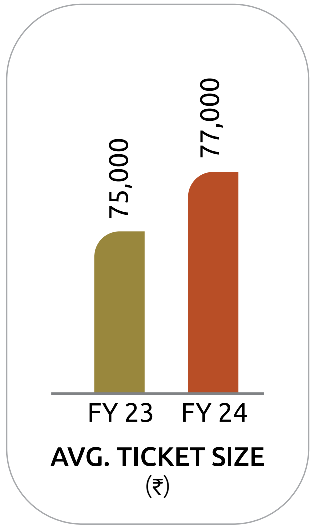
OPERATING PRESENCE

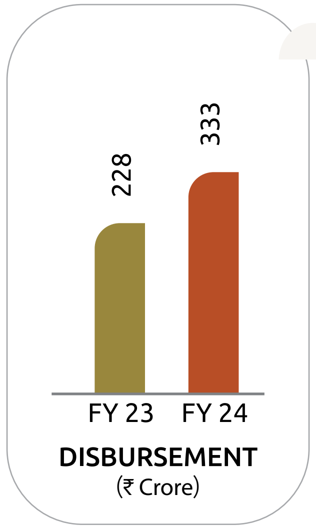
5
STATES

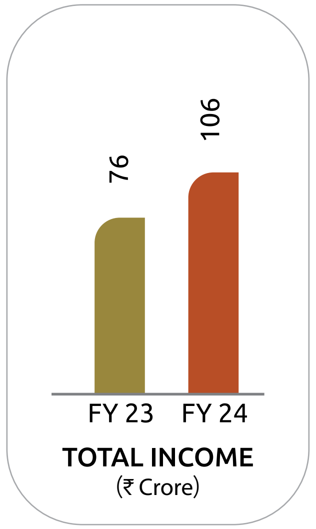
79
BRANCHES

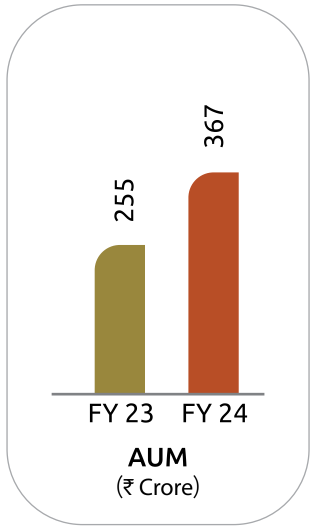
The Company's MSME process is well-suited for the rural market. Its strategy of direct sales and strong field presence have enabled a deep understanding of customer requirements, which positively impacted performance in FY 24.

During this period, disbursements increased significantly from ₹228 crore in FY 23 to ₹333 crore in FY 24, reflecting growing market penetration and demand. Similarly, Assets under Management (AUM) also grew substantially, rising from ₹255 crore in FY 23 to ₹367 crore in FY 24. These metrics show the effectiveness of the Company's rural-focused strategy and its ability to capitalise on opportunities in underserved markets.









Business vertical-3

ACCELERATING MOBILITY WITH OUR 2-WHEELER & RURAL 2-WHEELER LOANS

Arman began its operations by offering loans to self-employed or cash-salaried individuals in the informal sector, primarily in semi-urban and rural regions, to finance their two-wheeler purchases. Over time, the Company has built strong partnerships with dealers and original equipment manufacturers (OEMs), which have been instrumental in maintaining its market presence and growth. This vertical is concentrated only in Gujarat. Over time, the Company has built an entrenched presence in the state to register a stable performance.

OPERATING MODEL

Focus on quick turnaround time

Excellent relationships with dealers and OEMs

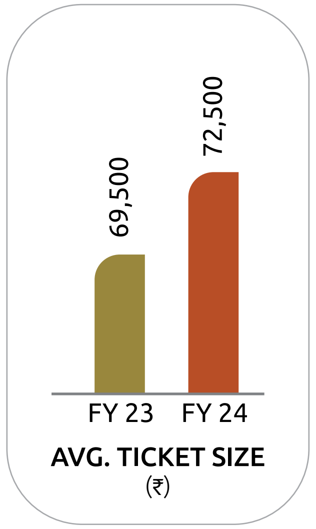
In-house feet-on-street model for rigorous collections

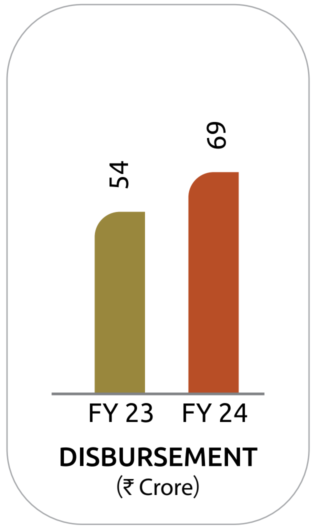
OPERATING PRESENCE

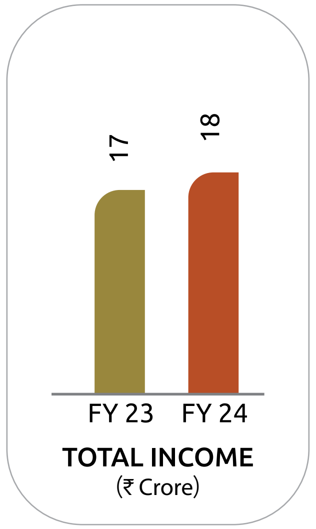
Only in Gujarat

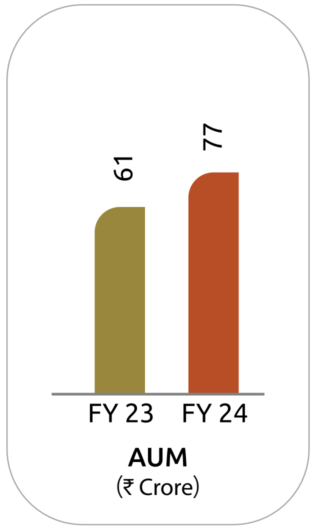
50+

DEALERSHIPS









Performance in FY24

The increasing demand for personal mobility, especially in rural and semi-urban areas, has fueled two-wheelers' popularity. Moreover, these vehicles also serve as income-generating assets for many individuals. These vehicles can transport goods to markets for sale, generating income from their agricultural produce or other products.

This demand has translated into increased disbursement from ₹54 crore in FY 23 to ₹69 crore in FY 24. AUM increased from ₹61 crore in FY 23 to ₹77 crore in FY 24.

By introducing a new Rural 2W product in Tier 3, 4, and remote areas, the Company expects to grow by increasing profitability and expanding into new markets with high demand and low competition.

HUMAN RESOURCE

Being in a people-centred business, our team has been the cornerstone of Arman's success. Their unwavering passion and disciplined perseverance have fuelled the Company's growth aspiration to challenge the status quo and go beyond perceived boundaries.

Arman, on its part, continues to invest in its people – building their capability, sharpening their expertise and nurturing the spirit of leadership – which positions the Company as a learning and knowledge-building institution.

The Company's Human Resource (HR) team plays a pivotal role in managing and retaining its intellectual capital. The Company ensures that safety is given utmost attention considering their areas of operations and the risk of carrying cash.

The Company takes immense pride in fostering a culture of rewarding merits, where each individual's contributions are recognized and celebrated. We strongly emphasize the importance of a healthy work environment, ensuring our team feels valued and appreciated.

RISK MANAGEMENT

Navigating headwinds to create value

At Arman, risk management is an ongoing process integrated into the Company's operations across the enterprise, functions, and branch offices. The Company has a robust risk management framework to identify and mitigate risks. This safeguards the Company's assets and reputation by providing guidelines to define, measure, control, mitigate, and report the identified risks at the enterprise level.

1. GROWTH RISK

Sustaining the growth momentum on a higher base could be a challenge.

Mitigation measures

- The Company's business is platformed on the rural economy, which is high on Government priority. The government continues introducing favourable policies and schemes to accelerate the rural economy.
- It has multiple revenue verticals, each with promising prospects over the near- and medium-term.
- Geographic expansion will result in business growth for all business verticals.

2. FUNDING RISK

The Company will require funds to capitalise on emerging growth opportunities.

Mitigation measures

- Over the years, timely repayment of loans to its funding partners has created respect and reputation for the Company.
- Strong financial statements and a healthy credit rating have further strengthened its ability to secure funds as required.
- The Company has secured sanctions of ₹320 crore as of March 31, 2024, which are yet to be drawn down.

3. CREDIT RISK

Defaults in EMI repayments by customers could impact business performance and continuance.

Mitigation Measures

- It has a comprehensive borrower screening and evaluation process customised to the peculiarities of every business vertical to assess creditworthiness accurately.
- Strong field force to stay in touch with customers to help them in cash management and loan repayment

4. COMPLIANCE RISK

Non-compliance with multiple regulations could impact reputation and business sustenance.

Mitigation Measures

- A dedicated team of experts continually scans the evolving regulatory requirements to ensure that the Company is always updated on regulations that need compliance.
- The automated systems generate the required reports on time to ensure that compliances are complete and on time.

5. GEOGRAPHIC CONCENTRATION RISK

Over-dependence on any one state for business volumes could challenge sustaining growth.

Mitigation Measures

- The Company has steadily expanded its presence across states – from 5 states in 2017 to 9 states in 2024 for its microfinance business.
- The other business verticals are also progressively expanding their footprint in states where it has established a strong microfinance presence.
- Overall, the Company's geographic expansion strategy is one of caution, ensuring they understand each area's cultural and financial landscape before proceeding further.

6. PRODUCT CONCENTRATION RISK

Close to 80% of the business comes from the microfinance sector. A slowdown in this sector could severely dent business progress.

Mitigation Measures

- The growth runway for the microfinance sector is considerably long in India.
- The flanking verticals, namely MSME loans and individual loans, have only recently started and, over the next 3-5 years, would significantly contribute to the overall business volumes and profitability.

7. IT RISK

The Company may not have the IT platform and solutions to manage the business as the geographic footprint widens.

Mitigation Measures

- The comprehensive tech-platformed LOS LMS system creates a seamlessly connected organisation. This IT solution completely integrates Loan Origination System (LOS), Loan Management System (LMS) and Accounts for all products offered.
- The Company has an IT-based HRMS solution that handles the entire life cycle of our 3000+ employees.
- Arman continues to invest significant resources in deploying new-age IT solutions to enhance business efficiency.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

BOARD COMMITEES

- **Audit Committee**
  Mr. Yash K. Shah, Chairman
  Mrs. Ritaben J. Patel, Member
  Mr. Alok N. Prasad, Member
  Mr. Ramakant Nagpal*, Member
- **Stakeholders Relationship Committee**
  Mr. Alok N. Prasad, Chairman
  Mr. Yash K. Shah, Member
  Mr. Jayendrabhai B. Patel, Member
- **Nomination and Remuneration Committee**
  Mr. Ramakant Nagpal*, Chairman
  Mr. Yash K. Shah, Member
  Mr. Alok N. Prasad, Member
  Ms. Geeta Haresh Solanki, Member
- **Corporate Social Responsibility Committee**
  Mr. Jayendrabhai B. Patel, Chairman
  Mr. Alok N. Prasad, Member
  Mr. Aalok J. Patel, Member

CHIEF EXECUTIVE OFFICER

Mr. Jayendrabhai B. Patel

CHIEF FINANCIAL OFFICER

Mr. Vivek Modi

COMPANY SECRETARY

Mr. Jaimish G. Patel

STATUTORY AUDITOR

M/s Talati & Talati LLP

SECRETARIAL AUDITOR

M/s GKV & Associates

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited
A/802 Samudra Complex,
Nr. Klassic Gold Hotel,
Girish Cold Drink, Off. C. G. Road,
Ahmedabad-380009, Gujarat
Ph.: 079-49196459
Email: bssahd@bigshareonline.com

BANKERS

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

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
IDBI Trusteeship Services Limited
Vardhaman Trusteeship Private Limited

*Tenure of Mr. Ramakant Nagpal was completed on 02/07/2024.
**MR. Mridul Arora had resigned as a Nominee Director w.e.f. 03/02/2024
*** Mr. Pinakin Shah was appointed as an Independent Director w.e.f. 14/08/2024

Arman Financial Services Limited

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

NOTICE

Notice is hereby given that the 32nd (Thirty second) Annual General Meeting (AGM) of Arman Financial Services Limited will be held on Friday, September 27, 2024 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt:**
   a. the audited financial statement of the Company for the financial year ended March 31, 2024, the reports of the Board of Directors and Auditors thereon; and
   b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2024.
2. To appoint a Director in place of Mr. Jayendrabhai Bhailalbhai Patel [DIN - 00011814] who retires by rotation and being eligible, offers himself for reappointment.
3. **To appoint Statutory Auditors of the Company and fix their remuneration.**
   "RESOLVED THAT pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, appointment procedure and eligibility criteria prescribed under the RBI Guidelines (Ref. No.DoS.CO.ARG/ SEC.01/08.91.001/2021-22) dated April 27, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations" as amended from time to time including any statutory modification(s) or amendment(s) thereto or reenactment(s) thereof for the time being in force, M/s Laxminiwas & Co., Chartered Accountants, (Firm Registration No. 011168S) be and are hereby appointed as Statutory Auditors of the Company in place of M/s Talati & Talati LLP, Chartered Accountants, (Firm Registration No. 110758W/W100377) the retiring Auditors, effective from the conclusion this (32nd) Annual General Meeting till the conclusion of 35th Annual General Meeting to be held in calendar year 2027 (For FY 2024-25 to FY 2026-27) on such terms including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors of the Company.

   "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. **Private Placement of Non-Convertible Debentures**
   To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

   "RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on September 29, 2023 and pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any modification, amendment, substitution or re-enactment thereof, for the time being in force and the provisions of the memorandum of association and the articles of association of the Company, the approval and consent of the members of the Company, be and is hereby accorded to the board of directors of the Company (the **"Board"**) to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ((a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)) (**"NCDs"**), on a private placement basis, in one or more tranches, within a period of one year from the date of passing of this resolution, provided that the outstanding amounts of all such NCDs at any time during the period shall not exceed ₹500,00,00,000 (Indian Rupees Five Hundred Crore)."

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

5. **Re-appointment of Mr. Aalok Jayendra Patel (DIN-02482747) as the Joint Managing Director of the Company for a term of 5 years**

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

"RESOLVED THAT pursuant to the provisions of the Sections 196, 197, 198, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) in context of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and the Articles of Association of the Company, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company, approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Aalok Jayendra Patel (DIN: 02482747) as Joint Managing Director of the Company for a period of Five years w.e.f. August 21, 2024 and whose office is liable to retire by rotation, on the remuneration, terms and conditions as set out in the explanatory statement annexed to the notice."

"RESOLVED FURTHER THAT the aggregate amounts of Managerial Remuneration to be paid to Mr. Aalok Jayendra Patel individually / jointly as the case as may be which shall be within the overall ceiling limit as laid down in Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 and any amendment thereof."

"RESOLVED FURTHER THAT approval of members of the Company be and is hereby given to make any further revision in the remuneration payable to Mr. Aalok Jayendra Patel during the tenure of his appointment which shall be within the overall ceiling limits as laid down in Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 and any amendments thereof."

"RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized severally to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

6. **Continuation of Mrs. Ritaben Jayendrabhai Patel (DIN: 00011818) as a Non-executive Director of the Company**

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded for the continuation of appointment of Mrs. Ritaben Jayendrabhai Patel (DIN: 00011818), who will attain the age of seventy five (75) years on August 27, 2025, as a 'Non-Executive, Non-Independent Director' of the Company."

"RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized severally to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

7. **Appointment of Mr. Pinakin Surendra Shah (DIN - 00007695) as a Non-Executive, Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Pinakin Surendra Shah (DIN: 00007695) who was appointed as an Additional & Independent Director of the Company with effect from August 14, 2024, and whose term expires at this AGM, not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from August 14, 2024."

Date: August 14, 2024
Place: Ahmedabad

By Order of the Board

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

Jayendrabhai Bhailalbhai Patel
(Vice Chairman & Managing Director)
DIN: 00011814

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated May 5, 2020 read with circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. MCA had vide circular no. 09/2023 dated September 25, 2023 has allowed the Companies whose AGM are due to be held in the year 2024, to conduct their AGMs on or before September 30, 2024 in accordance with the requirement provided in this Circular. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to MCA Circular no. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives by uploading a duly certified copy of the board resolution authorising their representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

3. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.

4. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. All the members of the Company are encouraged to attend and vote at the AGM through VC / OAVM.

5. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 is annexed hereto.

6. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to secretarial@armanindia.com.

7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through National Securities Depository Limited ("NSDL") in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL. Members of the Company holding shares as on the cut-off date i.e. September 20, 2024, may cast their vote either by remote e-voting or e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

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

8. In compliance with the MCA Circulars and SEBI Circular dated October 7, 2023, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice of 32nd AGM and the Annual Report of the Company for the year ended March 31, 2024 have been uploaded on the Company's website www.armanindia.com and may be accessed by the members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

9. Mr. Gautam Virsadiya, Practicing Company Secretary (Membership No. F12366) has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.

10. The Scrutinizer shall submit a consolidated Scrutinizer's Report (votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Vice Chairman & Managing Director of the Company. The Vice Chairman & managing Director, or any other person authorised by him, shall declare the result of the voting. The result

declared along with the consolidated Scrutinizer's Report shall be simultaneously placed on the Company's website www.armanindia.com and on the website of NSDL and communicated to the BSE Limited and National Stock Exchange of India Limited.

11. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

12. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on secretarial@armanindia.com atleast 10 days before the date of the meeting to enable the management to respond appropriately.

13. Regulation 40 of the Listing Regulations, as amended, mandates that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.

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

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

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

    During the year 2023-24, the Company has transferred 8,024 equity shares to the demat account of IEPF Authority.

    Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2024 on its website www.armanindia.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.

15. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at www.armanindia.com.

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

16. As required in terms of Secretarial Standard - 2 and Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to Director recommended for appointment / re-appointment in the AGM has been provided in the explanatory statement to the Notice.

17. SEBI has mandated the submission of PAN (duly linked with Aadhar), KYC details and nomination by holders of physical securities vide master circular no SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 as amended from time to time. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at www.armanindia.com.

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

18. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. Members holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participants and members holding shares in physical mode are requested to send a duly signed request letter to RTA mentioning the name, Folio no, bank details, self-attested copy of PAN Card and original cancelled cheque leaf along with Form ISR-1. In case of absence of name of the first shareholder on the original cancelled cheque, bank attested copy of first page of the bank passbook / statement of accounts in original along with Original cancelled cheque. Format of the Form ISR-1 and other required details are available on the website of the Company at www.armanindia.com.

    Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature, shall be eligible to get dividend only in electronic mode. Accordingly, payment of final dividend, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Further, SEBI has introduced the ODR Portal to streamline and strengthen the existing dispute resolution mechanism in the Indian Securities Market. With introduction of this mechanism, there will be enhanced degree of regulatory supervision of SEBI over disputes between aggrieved parties. The ODR order is binding on the parties involved in the dispute.

19. Process for those Members whose email ids are not registered with the Depositories or the Company for obtaining login credentials for e-voting

    - Members holding shares in physical form may request for the same along with providing necessary details like Folio No., Name of Member, self-attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.
    - Members holding shares in demat form may request for the same along with providing Demat account details (CDSL-16 digit beneficiary ID or NSDL - 8 character DPID + 8 character Client ID), Name of Member, client master or copy of Consolidated Account statement, self-attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.

20. Process for updation of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company or Depositories:

    - Members holding shares in physical form - Update your email id and mobile no by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
    - Members holding shares in demat form – Update your email id & mobile no. with your respective Depository Participant (DP); for individual members holding shares in demat form, updation of email id & mobile no. is mandatory for e-voting and joining virtual meetings through depositories.

21. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.

22. The Register of Members and the Share Transfer Books in respect of the Equity Shares will remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 (both days inclusive) for the purpose of AGM.

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

    The remote e-voting period begins on Tuesday, September 24, 2024 at 09:00 A.M. and ends on Thursday, September 26, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 20, 2024.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store / Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

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

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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to gkvandassociates@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Matre at evoting@nsdl.com.

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

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

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at www.armanindia.com. The same will be replied by the company suitably.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views /ask questions during the AGM. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.

24. Details of the Directors seeking appointment / re-appointment at the 32nd (Thirty Second) Annual General Meeting Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard -2 are provided below:

Particulars	Retire by rotation
Name of Director	**Mr. Jayendrabhai Bhailalbhai Patel**
DIN	00011814
Date of Birth (Age)	October 13, 1951 (72 Years)
Relationships with other Directors	Husband of Mrs. Ritaben Jayendrabhai Patel; Father of Mr. Aakash Jayendra Patel & Mr. Aalok Jayendra Patel
Date of first appointment	November 26, 1992
Expertise / Brief Resume	**Expertise:** Management Acumen **Brief Profile:** Mr. Patel is the founder of the company and he has more than 32 years of Senior Managerial and board level experience in the finance sector. Mr. Patel was in U.S.A. for a decade where he completed his education. After completing his education, he joined business firm in USA namely Kapps Pharmaceuticals Inc. as Company Executive. During his stay in USA he successfully turned around two sick units into profitable position. Later he returned to India to concentrate and expand in the field of finance, he devoted fulltime attention to Arman in 1992. Mr. Patel is a founder member of the Gujarat Finance Companies Association and presently Chairman of the Association.
Remuneration	As per the resolution passed by the shareholders in their meeting held on September 29, 2021.
Qualification	B.Sc.
No. of Equity Shares held	4,27,937
Terms and conditions of appointment/re-appointment	Mr. Jayendrabhai Bhailalbhai Patel was appointed as a Managing Director of the Company for the period of 5 years w.e.f. September 29, 2021 pursuant to shareholders approval at 29th Annual General Meeting.
No. of Board meetings attended during FY 2023-24	5
List of other Companies in which directorship are held	Namra Finance Limited
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	**Arman Financial Services Limited** Member - Stakeholder Relationship Committee

Particulars	Re-appointment as Joint Managing Director
Name of Director	**Mr. Aalok Jayendra Patel**
DIN	02482747
Date of Birth (Age)	August 02, 1984 (40 Years)
Relationships with other Directors	Son of Mr. Jayendrabhai Bhailalbhai Patel & Mrs. Ritaben Jayendrabhai Patel; and Brother of Mr. Aakash Jayendra Patel
Date of first appointment	January 01, 2007
Expertise / Brief Resume	**Expertise:** Accounts & Finance **Brief Profile:** Mr. Aalok Jayendra Patel brings a vast array of innovative knowledge to the Company. In India, he completed his schooling in Lawrence School, Sanawar and continued his higher education in the U.S. at Drake University. At Drake, Mr. Patel graduated with High Honors with a Bachelors and a Master's Degree in Accountancy & Finance. He is a licensed Certified Public Accountant (CPA) in the U.S. Mr. Patel worked as an independent auditor for KPMG for almost 4 years, where many of his clients were included in the Fortune 100 list. He also brings experience from John Deere Credit, the equipment financing arm of John Deere & Co. Furthermore, Mr. Patel excels to equity analysis and valuation as well; his research has been quoted in reputable business journals. He currently works for Arman full-time as an Executive Director since 2010.
Remuneration	As per the resolution passed by the shareholders in the 32nd Annual General meeting to be held on September 27, 2024.
Qualification	B.S. Accounting & Finance; M.S. Accountancy, Certified Public Accountant (USA)
No. of Equity Shares held	2,47,809
Terms and conditions of appointment/re-appointment	Mr. Aalok Jayendra Patel was re-appointed as a Joint Managing Director w.e.f. August 21, 2024 for a period of 5 years by the Board of Director subject to approval of Shareholders in the ensuing Annual General Meeting.
No. of Board meetings attended during FY 2023-24	4
List of other Companies in which directorship are held	Namra Finance Limited
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	**Namra Finance Limited** Member - Audit Committee

Particulars	Continuation as Non- Executive Director
Name of Director	**Mrs. Ritaben Jayendrabhai Patel**
DIN	00011818
Date of Birth (Age)	August 27, 1950 (74 Years)
Relationships with other Directors	Wife of Mr. Jayendrabhai Bhailalbhai Patel; and Mother of Mr. Aakash Jayendra Patel & Mr. Aalok Jayendra Patel
Date of first appointment	November 26, 1992
Expertise / Brief Resume	**Expertise:** Banking & Finance **Brief Profile:** Mrs. Patel, is a Graduate in Economics. She also holds Banking qualifications from First National Bank of Chicago, USA. She has worked with various US banks like First National Bank of Chicago, Golf Mill Bank, Morton Grove Bank in various capacities for more than a decade.
Remuneration	Sitting fee is paid to her for attending the Board / Committee Meeting
Qualification	B. A. in Economics
No. of Equity Shares held	4,36,089
Terms and conditions of appointment/re-appointment	She is reappointed as a Non-Executive Director of the Company by the Board of Director subject to approval of shareholders in the ensuing Annual General Meeting
No. of Board meetings attended during FY 2023-24	4
List of other Companies in which directorship are held	Namra Finance Limited
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	**Arman Financial Services Limited** Member - Audit Committee **Namra Finance Limited** Member - Audit Committee

Particulars	Appointment as an Independent Director
Name of Director	**Mr. Pinakin Surendra Shah**
DIN	00007695
Date of Birth (Age)	March 25, 1959 (65 years)
Relationships with other Directors	N.A.
Date of first appointment	N.A.
Expertise / Brief Resume	**Expertise:** Company Law, Valuation, Insolvency Professional **Brief Profile:** Mr. Pinakin Surendra Shah is a renowned Practicing Company Secretary, Registered Valuer, and Insolvency Professional with over 40 years of experience. He brings a unique blend of legal expertise and financial acumen. His deep understanding of Company Law, Securities Law coupled with his valuation and restructuring expertise, positions him to contribute significantly to corporate governance and strategic decision making. Before starting his practice, he was in employment from 01/08/1978 till 31/10/1998. The last employment was with Gujarat Lease Financing Limited as General Manager and Company Secretary. He was CEO of subsidiary Company GLFL Housing Finance Limited & GLFL Securities Limited, a broking outfit – member of BSE NSE and ASE. He was in charge of liability products and mobilized more than ₹500 crore as FD from four lakh plus retail investors. He also worked as Finance Controller for almost ten years.
Remuneration	Sitting fee will be paid to him for attending the Board / Committee Meeting

Particulars	Appointment as an Independent Director
Qualification	Company Secretary (ICSI), LLB, BBA, Registered Valuer (IICA) and Insolvency Professional (IBBI)
No. of Equity Shares held	100
Terms and conditions of appointment/re-appointment	Mr. Pinakin Surendra Shah was appointed as an Independent Director w.e.f. August 14, 2024 for a period of 5 years by the Board of Directors of the Company subject to approval of Shareholders in the ensuing Annual General Meeting.
No. of Board meetings attended during FY 2023-24	N.A.
List of other Companies in which directorship are held	Nil
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	Nil

Date: August 14, 2024
Place: Ahmedabad

By Order of the Board

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

Jayendrabhai Bhailalbhai Patel
(Vice Chairman & Managing Director)
DIN: 00011814

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), though statutorily not required in terms of Section 102 of the Companies Act, 2013 ("the Act").

M/s Talati & Talati LLP, Chartered Accountants (Firm Registration No. 110758W/W100377) was appointed as the Statutory Auditors of the Company for a tenure of 3 years from the conclusion of 29th (Twenty Ninth) Annual General Meeting till the conclusion of the 32nd (Thirty Second) Annual General Meeting of the Company. The Members are further informed that in accordance with the guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, issued by RBI ("RBI Guidelines"), Company will have to appoint the Statutory Auditors for a continuous period of three years subject to the firm satisfying the eligibility norms each year as specified in the RBI Guidelines. Post the expiry of the term of 3 years, the Statutory Auditors shall be eligible for re-appointment only after a cooling period of six years.

In accordance with the Act, the RBI Guidelines, on the recommendation of the Audit Committee and considering various parameters including experience of audit partners, their clientele, industry experience and profile and knowledge in the financial services sector, the Board of Directors at their Meeting held on August 14, 2024 considered, approved and recommended for approval of the Members of the Company, the appointment of M/s Laxminiwas & Co., Chartered Accountants, (Firm Registration No. 011168S) as Statutory Auditors of the Company for a period of 3 (three) years (For FY 2024-25 to FY 2026-27) commencing from the conclusion of 32nd (Thirty Second) Annual General Meeting till the conclusion of 35th (Thirty Fifth) Annual General Meeting of the Company.

The Members are requested to note that M/s Laxminiwas & Co. have consented to their appointment as Statutory Auditors of the Company vide letter dated August 01, 2024, and confirmed that their appointment, if made, will be within the limits specified under the Act and the RBI Guidelines and that they are not disqualified from being appointed as Statutory Auditors of the Company.

Members are requested to note that if appointed, M/s Laxminiwas & Co. shall be paid statutory audit fees of not exceeding ₹12 Lakhs (including regulatory certificates) plus applicable taxes, and reimbursement of out-of-pocket expenses incurred, for performing the statutory audit of the Company for the financial year 2024-25. The fees for services for other professional work will be in addition to the statutory audit fee as above and will be decided by the Company in consultation with the Statutory Auditors and will be subject to approval by the Board of Directors and / the Committee in the manner as mentioned in the resolution at Item No. 3 of the AGM Notice. The remuneration payable to M/s Laxminiwas & Co for their remaining tenure shall be decided by the Board of Directors of the Company or the Committee by resolution as set out in Item No. 3 of this AGM Notice.

The Board of Directors recommends the resolution set out in Item No. 3 of the AGM Notice to the Members for their consideration and approval, by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 3 of the AGM Notice.

Item No. 4

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

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

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

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

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

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

The Board recommends the special resolution set forth in the Item No. 4 of the Notice for approval of the Members.

Item No: 5

At the 27th Annual General Meeting held on September 23, 2019, Mr. Aalok Jayendra Patel (DIN-02482747), was appointed as Joint Managing Director of the Company for a period of 5 years effective from August 21, 2019 on the terms and conditions as approved by the shareholders at the said Annual General Meeting. After considering his valuable contribution to the Company, the Board of Directors at their meeting held on August 14, 2024 have, subject to the approval of the Shareholders, re-appointed him as Joint Managing Director of the Company with effect from August 21, 2024 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein. While re-reappointing Mr. Aalok Jayendra Patel as Joint Managing Director of the Company, the Board of Directors considered his contribution in the overall progress of the Company. The Company during his tenure has achieved remarkable growth. The Board is of the opinion that his services would help the Company to achieve greater heights.

He also holds the position of Joint Managing Director in wholly owned subsidiary, Namra Finance Limited.

Taking into consideration the duties and responsibilities of the Joint Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on August 14, 2024 approved the remuneration, terms and conditions of the appointment of Mr. Aalok Jayendra Patel, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

a) Salary and perquisites shall not exceed ₹120 lakhs per annum payable either monthly or quarterly or half yearly or yearly and by way of performance linked bonus and/or commission and/or Sweat Equity or any other form as may be recognised under the term salary and perquisites in Income Tax Act;

b) In addition to salary, benefits like contribution to provident fund, gratuity, leave travel concession etc. shall be paid. The list of benefits is limited to perquisites as provided under Section IV of Schedule V to the Companies Act, 2013;

c) Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Aalok Jayendra Patel, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in paragraph 1, Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

d) The total combined remuneration drawn from this Company and Namra Finance Limited would not exceed the higher maximum limit admissible as provided under paragraph 1 of section II of Part II of Schedule V, from any one of the Companies of which he is a managerial person and that any excess remuneration, if any, drawn or paid to him shall be forthwith refunded to the Company in the event the appointment comes to an end by any reason whatsoever prematurely before the tenure of appointment is over and also in the event when his appointment is not renewed for a further period beyond the period of five years for which he is appointed;

e) As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for this appointment.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is set out in the Annexure to the notice.

Mr. Aalok Jayendra Patel, Mr. Jayendrabhai Bhailalbhai Patel, Mr. Aakash Jayendra Patel and Mrs. Ritaben Jayendrabhai Patel and their relatives are deemed to be interested in the resolution.

None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the proposed resolution. The Board recommends the special resolution set forth in the Item No. 5 of the Notice for approval of the Members.

Item No: 6

In terms of the Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') with effect from April 1, 2019, no listed Company shall appoint or continue the appointment of a Non executive director, who has attained the age of 75 years, unless a special resolution is passed to that effect.

Mrs. Ritaben Jayendrabhai Patel (DIN: 00011818), will attain the age of 75 years on March 27, 2025. Mrs. Patel is in good health and of sound and alert mind. The Board is also confident about her being able to function and discharge her duties in an able and competent manner.

Based on the recommendation of the Nomination and Remuneration Committee and taking in account Mrs. Patel's seniority, expertise and vast experience, which has immensely benefited the Company, the Board of Directors considered and approved the continuation of Mrs. Ritaben Jayendrabhai Patel as a Non-Executive Director of the Company beyond the age of 75 years.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is set out in the Annexure to the notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for the approval by the Members.

Mr. Aalok Jayendra Patel, Mr. Jayendrabhai Bhailalbhai Patel, Mr. Aakash Jayendra Patel and Mrs. Ritaben Jayendrabhai Patel and their relatives are deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the proposed resolution.

Item No: 7

The Board of Directors, in there meeting held on August 14, 2024, approved the appointment of Mr. Pinakin Surendra Shah (DIN- 00007695) w.e.f. August 14, 2024 as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Mr. Pinakin Surendra Shah holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a declaration from him confirming that he meets the criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of the Board, Mr. Pinakin Surendra Shah fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Pinakin Surendra Shah is a renowned Practicing Company Secretary, Registered Valuer, and Insolvency Professional with over 40 years of experience. He brings a unique blend of legal expertise and financial acumen. His deep understanding of Company Law, Securities Law coupled with his valuation and restructuring expertise, positions him to contribute significantly to corporate governance and strategic decision making. Before starting his practice, he was in employment from 01/08/1978 till 31/10/1998. The last employment was with Gujarat Lease Financing Limited as General Manager and Company Secretary. He was CEO of subsidiary Company GLFL Housing Finance Limited & GLFL Securities Limited, a broking outfit – member of BSE NSE and ASE. He was in charge of liability products and mobilized more than ₹500 crore as FD from four lakh plus retail investors. He also worked as Finance Controller for almost ten years.

None of the Directors or Key Managerial Personnel or their respective relatives, except Mr. Pinakin Surendra Shah, to whom the resolution relates, is in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution set forth in the Item No. 7 of the Notice for approval of the Members.

Date: August 14, 2024
Place: Ahmedabad

By Order of the Board

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

Jayendrabhai Bhailalbhai Patel
(Vice Chairman & Managing Director)
DIN: 00011814

ARMAN FINANCIAL SERVICES LIMITED

- Directors' Report
- Auditor's Report
- Financial Statements
- Notes

BOARD'S REPORT

Dear Members,

The Board of Directors of the Company with immense pleasure present their 32nd Director's Report together with the Audited Financial Statement for the year ended on March 31, 2024.

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

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

1. FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Total Revenue	66,152.77	42,390.47	13,617.11	9,614.02
Profit Before Interest and Depreciation	49,498.81	29,810.49	9,410.46	6,841.76
Finance Charges	26,547.49	17,199.63	4,556.55	3,069.78
Depreciation	142.37	115.49	18.87	13.03
Net Profit Before Tax	22,808.95	12,495.37	4,835.03	3,758.95
Current Tax	5,974.30	2,832.90	1,049.30	787.90
Deferred Tax (Asset)/Liability	(561.10)	266.24	(39.73)	134.90
Short/(Excess) provision of income tax of earlier year	38.47	15.10	35.65	0.00
Net Profit After Tax	17,357.28	9,381.13	3,789.81	2,836.15
Basic Earnings Per Share (In ₹)	195.00	110.47	42.58	33.40
Diluted Earnings Per Share (In ₹)	192.76	107.28	42.09	33.02

2. OPERATIONS

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

Consolidated Performance Highlights

- AUM was ₹2,639.33 crores in FY 2023-24 as compared to ₹1,942.93 crores in FY 2022-23, increased by 35.84%.
- Disbursement was ₹2,297.03 crores in FY 2023-24 as compared to 1,766.75 crores in FY 2022-23, increased by 30.01%.
- Total income was ₹661.53 crores in FY 2023-24 as compared to ₹423.91 crores in FY 2022-23, increased by 56.05%.
- Profit before taxes was ₹228.09 crores in FY 2023-24 as compared to ₹124.95 crores in FY 2022-23, increased by 82.54%.
- Profit for the year attributable to owners of the Company was ₹173.57 crores in FY 2023-24 as compared to ₹93.81 crores in FY 2022-23, increased by 85.02%.
- The basic Earning Per Share was ₹195.00 as compared to ₹110.47, increased by 76.52%.
- The diluted Earning Per Share was ₹192.76 as compared to ₹107.28, increased by 79.68%.

Standalone Performance Highlights

- AUM was ₹446.22 crores in FY 2023-24 as compared to ₹315.29 crores in FY 2022-23, increased by 41.59%.
- Disbursement was ₹401.87 crores in FY 2023-24 as compared to ₹281.86 crores in FY 2022-23, increased by 42.58%.
- Total income was ₹136.17 crores in FY 2023-24 as compared to ₹96.14 crores in FY 2022-23, increased by 41.64%.
- Profit before taxes was ₹48.35 crores in FY 2023-24 as compared to ₹37.59 crores in FY 2022-23, increased by 28.62%.
- Profit for the year attributable to owners of the Company was ₹37.90 crores in FY 2023-24 as compared to ₹28.36 crores in FY 2022-23, increased by 33.64 %.
- The basic Earnings Per Share was ₹42.58 as compared to ₹33.40, increased by 27.49%.
- The diluted Earnings Per share was ₹42.09 as compared to ₹33.02, increased by 27.47%.

3. DIVIDEND

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

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

4. APPROPRIATIONS

The Company proposes to transfer ₹758.00 Lakhs (previous year ₹568 Lakhs) to Special Reserve created u/s 45–IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹10.00 Lakhs (previous year ₹10.00 Lakhs) to the general reserve.

5. COST RECORDS

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

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

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

7. CREDIT RATING & GRADING

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

CARE has upgraded its rating for various Non-Convertible Debentures ("NCDs") from "CARE BBB+"; stable (Triple B plus; outlook stable) to "CARE A-"; stable (A minus; outlook stable). CARE has also upgraded its rating for various Non-Convertible Debentures ("NCDs") of Namra Finance Limited (WOS) from "CARE BBB+"; stable (Triple B plus; outlook stable) to "CARE A-"; stable (A minus; outlook stable).

The Grading of Namra Finance Limited (WOS) was also reaffirmed 'MFI 1' (MFI one) by CARE Advisory Research & Training Limited during the year 2023-24.

8. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

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

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

9. INVESTMENT IN SUBSIDIARY

During the year under review, the Company has invested ₹80.00 cr. in Namra Finance Limited (wholly owned subsidiary) by subscribing 40,00,000 lakhs equity shares of ₹10/- each at the rate of ₹200.00 (including premium of ₹190.00). Total investment in wholly owned subsidiary stood at ₹265.63 cr.

10. UNCLAIMED DIVIDEND & SHARES

During the year Company has transferred unclaimed dividend for the year 2015-16 of ₹4,41,012/- to Investor Education and Protection Fund (IEPF) pursuant to provision of Section 124 of the Companies Act, 2013 which remained unclaimed for a period of more than seven years.

Members desirous of claiming their shares and dividend which have been transfered to the IEPF, may refer to the refund procedure, as detailed on www.iepf.gov.in. Underlying shares on which dividend has remained unclaimed from FY 2016-17 onwards, will be due for transfer to IEPF account during the year and individual notices to that effect has been sent to concerned shareholders. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest to avoid transfer of dividend and underlying shares to IEPF.

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

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

12. PUBLIC DEPOSITS

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

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

As on March 31, 2024, the Board of Directors consists of 8 (Eight) members, of which 4 (Four) are Independent Directors. The Board also comprises of 2 (two) women Directors, including 1 (one) Independent Director. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jayendrabhai Bhailalbhai Patel [DIN- 00011814] will retire by rotation at the ensuing AGM and being eligible, offer himself for reappointment.

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

a) **Appointment**

The Board of Directors at their meeting held on August 14, 2024, based on recommendation of Nomination & Remuneration Committee and subject to the approval of Members of the Company, approved the appointment of Mr. Pinakin Surendra Shah (DIN: 00007695) as an Independent Director for a period of five years effect from August 14, 2024. The Company has sought approval of the Members for appointment of Mr. Pinakin Surendra Shah at the ensuing AGM of the Company.

b) **Re-appointment**

During the year under review, the shareholders of the Company by way of special resolution through postal ballot, on July 04, 2023 approved the re-appointment of Mr. Alok Prasad (DIN: 00080225) as an Independent Director (for 2nd term) of the Company for a period of 5 (five) years w.e.f. August 8, 2023.

Mr. Aalok Jayendra Patel (DIN-02482747) was appointed as a Joint Managing Director for a period of 5 years with effect from August 21, 2019 and accordingly he holds office upto August 21, 2024. After considering his performance and valuable contribution to the Company and based on the recommendation made by Nomination & Remuneration Committee, the Board has re-appointed him as a Joint Managing Director for a period of 5 years with effect from August 21, 2024. The Company has sought approval of the Members for reappointment of Mr. Aalok Jayendra Patel at the ensuing AGM of the Company.

Further, in terms of the Listing Regulations, no listed Company shall appoint or continue the appointment of a Non-executive Director, who has attained the age of 75 years, unless a special resolution is passed to that effect. Mrs. Ritaben Jayendrabhai Patel (DIN: 00011818), will attain the age of 75 years on August 27, 2025, resolution seeking her re-appointment and continuation as Non-executive Director form part of the Notice of ensuing AGM. Brief profile of Mrs. Ritaben Jayendrabhai Patel is provided in the Report on Corporate Governance and Notice of AGM.

c) **Cessation**
During the year under review, Mr. Mridul Arora (DIN-03579584), Nominee Director of the Company has given his resignation from the office of Directorship due to withdrawal of nomination by Elevation Capital V Limited as their shareholding got fallen below 20%. The Board had accepted his resignation in the board meeting held on February 03, 2024 and placed on record its appreciation & deep gratitude for the valuable guidance as a member of the Board.

d) **Completion of tenure**
During the year FY 2024-25, Mr. R. K. Nagpal (DIN: 00073205) completed his second and final term as an Independent Director and consequently ceased to be an Independent Director of the Company w.e.f. the close of business hours on July 2, 2024. The Board placed on record its appreciation & deep gratitude for the valuable guidance as a member of the Board.

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

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

14. MEETING OF THE BOARD & AUDIT COMMITTEE

The Board during the financial year 2023-24 met 5 (five) times and Audit Committee met 5 (five) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. The details of the constitution and meetings of the Board and the Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

15. NOMINATION AND REMUNERATION COMMITTEE

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

16. REMUNERATION POLICY

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

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

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

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

Remuneration of KMP (Excl. MD) & Other Employees
The authority to structure remuneration for KMP (Excl. M.D.) & other employees and the annual revision thereof has been delegated to the Managing Director and Joint Managing Director of the Company, based on Company performance, individual performance evaluation, recommendations of respective functional heads and other factors having a bearing.

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

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

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

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the year ended on March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) That the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. SECRETARIAL STANDARDS

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

21. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence.

22. FAMILIARIZATION PROGRAMME

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

23. AUDITORS AND AUDIT REPORTS

a) **Statutory Auditors**

The term of office of M/s Talati & Talati LLP, Chartered Accountants, (Firm Registration No. 110758W/W100377), as Statutory Auditors of the Company will conclude from the close of the ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation for the services rendered by M/s Talati & Talati LLP as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s Laxminiwas & Co., Chartered Accountants (FRN: 011168S) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Member's attention is drawn to a Resolution proposing the appointment of M/s Laxminiwas & Co., Chartered Accountants, as Statutory Auditors of the Company which is included at Item No. 3 of the Notice convening the Annual General Meeting. Further, the report of M/s Talati & Talati LLP, the Statutory Auditors, along with notes to Financial Statements is enclosed to this annual report.

b) **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has appointed M/s GKV & Associates, Practicing Company Secretary (Membership No.: F12366 and Certificate of Practice No.: 19866) to undertake the Secretarial Audit of the Company for the financial year 2024-25.

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

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

24. RELATED PARTY TRANSACTIONS

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

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

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

25. RISK MANAGEMENT FRAMEWORK

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

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

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

26. INTERNAL CONTROL SYSTEM

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

27. INTERNAL FINANCIAL CONTROL

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

28. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

29. PERFORMANCE EVALUATION

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

Manner of Evaluation

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

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

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

30. CORPORATE GOVERNANCE

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

31. DEPOSITORY SYSTEM

The Company's Equity Shares are compulsorily tradable in electronic form. As on March 31, 2024, out of the Company's total equity paid-up share capital comprising of 1,04,76,774 Equity Shares, only 1,12,910 (1.08%) Equity Shares were in physical form and the remaining capital was in dematerialised form.

As per SEBI notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities is not processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

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

32. WHISTLE BLOWER POLICY

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

33. GREEN INITIATIVE

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

34. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 for the Company for the financial year 2023-24 is available on the website of the Company at https://armanindia.com/OtherReports.aspx?Page=Annual-return

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

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

B. Foreign exchange earnings and outgo:
The details of foreign exchange earnings and outgo during the year under review given below:

There were no foreign exchange earnings during the year (previous year also Nil) while the expenditure in foreign currency by the Company during the year was USD equivalent of ₹49,73,100/- (previous year: ₹28,87,500/-) towards the due diligence fees; USD equivalent of ₹5,53,230/- (previous year: Nil) towards the legal fees; and USD equivalent of ₹41,30,600/- (previous year: Nil) towards interest on Compulsorily Convertible Debentures.

36. SHARES & SHARE CAPITAL

- **Authorized Share Capital:**
The authorized share capital of the Company is 1,40,00,000 ordinary equity shares of the face value of ₹10/- each aggregating to ₹14,00,00,000/- and 10,00,000 Preference Shares of ₹10/- each aggregating to ₹1,00,00,000/-.

- **Paid up Share capital:**
As on March 31, 2024, the Company's paid-up Equity Share Capital was ₹10,47,67,740/- divided into 1,04,76,774 Equity Shares of ₹10/- each.

- **Buy Back of Securities:**
The Company has not bought back any of its securities during the year under review.

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

- **Bonus Shares:**
No Bonus Shares were issued during the year under review.

- **Allotment of Equity Shares pursuant to Compulsorily Convertible Debentures (CCDs) and Optionally Convertible Redeemable Preference Shares (OCRPS)**
During the financial year under the review your Company has allotted 9,35,360 Equity shares pursuant to conversion of 6,24,388 Unsecured Compulsorily Convertible Debentures ("CCDs") and 3,10,972 Optionally Convertible Redeemable Preference Shares ("OCRPS").

- **Employees Stock Option Plan**
During the financial year under review, your Company has approved 'Arman -Employee Stock Option Plan – 2023' ("ESOP Plan 2023") consisting of 300,000 options of equity shares of face value ₹10/-. The Company has granted 1,48,600 ESOPs on August 14, 2023 to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman -Employee Stock Option Plan – 2023' ("ESOP Plan 2023").

There has been no material change in "Arman Employee Stock Option Plan 2016" during the year under review. Both the ESOP Schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBSE Regulations").

During the financial year under the review, your Company has allotted 1,245 ordinary equity shares of ₹10/- each on May 18, 2023 to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman Employee Stock Option Plan 2016'. Particulars of Employee Stock Options granted, vested, exercised and allotted are given in "**Annexure-4**".

- **Issue of Equity Shares under Qualified Institutions Placement**
During the financial year under review, your Company had issued and allotted 10,47,835 equity shares of face value ₹10/- at a price of ₹2,195.00 per Equity Share under Qualified Institutions Placement issue pursuant to the resolution of the Board of Directors dated August 14, 2023, special resolution of the shareholders of the Company passed on September 29, 2023 authorizing the issue of Equity Shares, the placement agreement dated December 19, 2023 and resolution of Issue and Allotment Committee passed on December 23, 2023 authorizing the allotment of Equity Shares.

With respect to disclosure under Regulation 32(7A) of SEBI Listing Regulations, the Audit Committee and the Board at its meeting held on February 03, 2024, had reviewed, and confirmed that the funds raised through QIP issue during the year have been fully utilised for the intended use as mentioned in the placement document and there was no deviation or variation in utilisation of the said funds.

37. CORPORATE SOCIAL RESPONSIBILITY

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

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

38. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Your Company forms part of the top 1000 listed entities on BSE Limited and National Stock Exchange of India Limited as on March 31, 2024. Accordingly, pursuant to Regulation 34 (2) (f) of SEBI Listing Regulations, Company is required to submit a Business Responsibility Sustainability Report ("BRSR") as a part of the Annual Report. The Company's BRSR describing the initiatives taken by the Company is uploaded on the website of the Company at https://armanindia.com/OtherReports.aspx?Page=BRSR → BRSR 2023-24.

39. CODE OF CONDUCT

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

40. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

41. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

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

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

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

43. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

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

The Company has not made any such valuation during the FY24.

45. GRATITUDE & ACKNOWLEDGEMENTS

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

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

	Jayendrabhai Bhailalbhai Patel	**Aalok Jayendra Patel**
Date: August 14, 2024	(Vice Chairman & Managing Director)	(Joint Managing Director)
Place: Ahmedabad	DIN: 00011814	DIN: 02482747

ANNEXURE-1

FORM NO. AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

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

Part A - Subsidiaries

SRN	Particulars	(₹ in Lakhs)
1.	Name of the Subsidiary Company	Namra Finance Limited
2.	Reporting period of the Subsidiary Company	March 31, 2024
3.	Reporting Currency of the Subsidiary Company	₹
4.	Share Capital	4,936.00
5.	Reserves & Surplus	50,461.66
6.	Total Assets	2,06,861.50
7.	Total Liability	1,51,463.84
8.	Investment	711.81
9.	Turnover	53,013.85
10.	Profit before tax	18,239.78
11.	Provision for tax	4,406.45
12.	Profit after tax	13,833.33
13.	Dividend	Nil
14.	Extent of shareholding (in percentage)	100%

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

Part B - Associates and Joint Ventures: None

ANNEXURE-2

PARTICULARS OF REMUNERATION

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

i. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2023-24:

Name of Director	Designation	Remuneration of the Directors for 2023-24 (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Alok Prasad	Chairman & Independent Director	2.08	1.15:1
Jayendra Patel	Vice Chairman & Managing Director	21.21	11.78:1
Aalok Patel	Joint Managing Director	10.38	5.77:1
Ramakant Nagpal	Independent Director	1.48	0.82:1
Ritaben Patel	Non-Executive Director	1.00	0.56:1
Aakash Patel	Non-Executive Director	Nil	N.A.
Mridul Arora*	Nominee Director	Nil	N.A.
Geeta Solanki	Independent Director	0.85	0.47:1
Yash Shah	Independent Director	1.23	0.68:1

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

*MR. Mridul Arora has resigned as a Nominee Director w.e.f. 03/02/2024.

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

Name of Director	Designation	Nature of Payment	Percentage increase in remuneration
Alok Prasad	Chairman & Independent Director	Sitting fee	(2.35%)
Jayendra Patel	Vice Chairman & Managing Director	Remuneration	5.81%
Aalok Patel	Joint Managing Director	Remuneration	1.85%
Ramakant Nagpal	Independent Director	Sitting fee	11.32%
Ritaben Patel	Non-Executive Director	Sitting fee	33.33%
Aakash Patel	Non-Executive Director	Sitting fee	Nil
Mridul Arora*	Nominee Director	Sitting fee	Nil
Geeta Solanki	Independent Director	Sitting fee	3.03%
Yash Shah	Independent Director	Sitting fee	(12.50%)
Vivek Modi	Chief Financial Officer	Remuneration	3.78%
Jaimish Patel	Company Secretary	Remuneration	8.38%

*MR. Mridul Arora had resigned as a Nominee Director w.e.f. 03/02/2024.

iii. The percentage increase in the median remuneration of employees in the financial year 2023-24: 1.62%

iv. There were 951 employees on the rolls of Company as on March 31, 2024.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentage increase of the employee of the Company other than managerial personnel is 1.62%. Increase in remuneration of managerial personnel is 5.43%. There were no exceptional circumstances for increase in the managerial remuneration during the year.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

ANNEXURE-3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arman Financial Services Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
6. Specifically, applicable Laws to the Company, as identified and confirmed by the Management:
   i. The Reserve Bank of India Act, 1934,
7. Labor Laws applicable to the Employees of the Company:
   i. Provident Fund Act, 1952;
   ii. Employees State Insurance Act, 1948;
   iii. Profession Tax Act, 1975;
   iv. The Payment of Gratuity Act, 1972

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

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

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

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

We further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366F000977418

Date: August 14, 2024
Place: Ahmedabad

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

ANNEXURE-3A

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

Management Responsibility:

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

Auditors Responsibility:

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

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366F000977418

Date: August 14, 2024
Place: Ahmedabad

ANNEXURE–4

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 For Financial Year 2023-24

The Nomination and Remuneration Committee (Compensation Committee) of the Company, inter alia, administers and monitors the Arman Employee Stock Option Plan 2016 ("ESOP 2016") and Arman Employee Stock Option Plan 2023 ("ESOP Plan 2023") of the Company in accordance with applicable SEBI regulations.

A. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in Note no. 41 of the Notes to Accounts forming part of the Annual Report 2023-24 of the Company.

B. Diluted earnings per share pursuant to the issue of share on exercise of options will be calculated in accordance with relevant Accounting Standard issued by ICAI when shares will be allotted from time to time.

C. Details related to Arman Employee Stock Option Plan 2016 ("ESOP 2016") and Arman -Employee Stock Option Plan – 2023 ("ESOP Plan 2023"):

a. The description of the existing scheme is summarized as under:

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

SRN	Particulars	ESOP Plan 2023
a)		Grant I August 14, 2023 (Option Granted 1,48,600)
b)	Date of shareholders' approval	July 4, 2023
c)	Total number of options approved under ESOP	3,00,000 options
d)	Vesting requirements	The options would vest not earlier than one year and later than four years from the date of grant of options.
e)	Exercise price or pricing formula	₹500/-
f)	Maximum term of options granted	4 years
g)	Source of shares	Primary
h)	Variation in terms of options	None

b. Method used to account for ESOP: **Intrinsic Value**

c. The difference between the employee compensation cost so computed as per intrinsic value and the employee compensation cost if Company would have used the fair value of the options and the impact of this difference on profits and on EPS of the Company: **Not Applicable**

d. Option movement during the year:

ESOP 2016	
Particulars	**Details**
Number of options outstanding at the beginning of the period	8,250
Number of options granted during the year	1,000
Number of options forfeited / lapsed during the year	2,945
Number of options vested during the year	--
Number of options exercised during the year	1,245
Number of shares arising as a result of exercise of options	1,245
Money realized by exercise of options (₹), if scheme is implemented directly by the company	₹62,250
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	5,060
Number of options exercisable at the end of the year	1,910

ESOP Plan 2023	
Particulars	**Details**
Number of options outstanding at the beginning of the period	--
Number of options granted during the year	1,48,600
Number of options forfeited / lapsed during the year	21,560
Number of options vested during the year	--
Number of options exercised during the year	--
Number of shares arising as a result of exercise of options	--
Money realized by exercise of options (₹), if scheme is implemented directly by the company	--
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	1,27,040
Number of options exercisable at the end of the year	--

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

Particulars	Weighted average exercise price	Weighted average fair value of options
Exercise price equals/exceeds than market price of the stock	Not Applicable	Not Applicable
Exercise price less than market price of the stock (ESOP 2016)	₹50/-	₹1,387.48
Exercise price less than market price of the stock (ESOP Plan 2023)	₹500/-	₹1,940.26

f. Employee-wise details of options granted during the financial year 2023-24:

i. Senior managerial personnel:

ESOP 2016			
Name of Employee	**Designation**	**No of Options Granted during the year**	**Exercise Price**
Vivek Modi	Chief Financial Officer	1,000	₹50/-

ESOP Plan 2023			
Name of Employee	**Designation**	**No of Options Granted during the year**	**Exercise Price**
Vivek Modi	Chief Financial Officer	4,200	₹500/-
Mahendar Pinninti	Head - MSME Loans	2,500	₹500/-
Jaimish Govindbhai Patel	Company Secretary	1,800	₹500/-
Atulkumar Mohanlal Patel	Chief Accountant	1,800	₹500/-
Saravanan Jaichandran	Group - HR Head	1,600	₹500/-
Goudelly Nagesh Kumar	Credit Manager- MSME	1,200	₹500/-
Modi Prashant Navinchanndra	Recovery Manager- 2W	1,000	₹500/-
Sanjeev Mishra	COO- Micro Finance	1,000	₹500/-
Manoj Jha	Head - Planning & Strategy	1,800	₹500/-
Kamlesh Garg	Head – MIS	1,000	₹500/-

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

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

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

ESOP 2016										
	Weighted-average values of:	**Details**								
	Grant trench	**Grant IV**	**Grant V**		**Grant VI**			**Grant VII**		
i.	**Vesting Date**	**12.02.2024**	**14.02.2024**	**14.02.2025**	**14.02.2024**	**14.02.2025**	**14.02.2026**	**14.08.2024**	**14.08.2025**	**14.08.2026**
ii.	Share price at grant date	₹729/-	₹748/-	₹748/-	₹1511/-	₹1511/-	₹1511/-	₹2,308/-	₹2,308/-	₹2,308/-
	Exercise price	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-
	Expected volatility	50.97%	50.97%	50.97%	22.02%	22.02%	22.02%	45.00%	45.00%	45.00%
	Expected option life	3.12 years	2.12 years	3.12 years	1.12 years	2.12 years	3.12 years	1.12 years	2.12 years	3.12 years
	Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	The risk-free interest rate	5.00%	4.93%	5.40%	7.93%	7.31%	7.39%	7.07%	7.29%	7.31%
	Any other inputs to the model	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Fair Value of Option	₹687.15	₹702.61	₹705.43	₹1465.25	₹1468.18	₹1471.30	₹2261.81	₹2265.16	₹2268.20
iii.	The method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method								
iv.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.								
v.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition	N.A.								

ESOP 2023					
i.	**Weighted-average values of:**	**Details**			
	Grant trench	**Grant I**			
	Vesting Date	**14.08.2025**	**14.08.2026**	**14.08.2027**	**14.08.2028**
ii.	Share price at grant date	₹2,308/-	₹2,308/-	₹2,308/-	₹2,308/-
	Exercise price	₹500/-	₹500/-	₹500/-	₹500/-
	Expected volatility	45.00%	45.00%	45.00%	45.00%
	Expected option life	2 years	3 years	4 years	5 years
	Expected dividend yield	0.00%	0.00%	0.00%	0.00%
	The risk-free interest rate	7.28%	7.31%	7.33%	7.33%
	Any other inputs to the model	N.A.	N.A.	N.A.	N.A.
	Fair Value of Option	₹1876.55	₹1909.50	₹1941.18	₹1970.87
iii.	The method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method			
iv.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.			
v.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition	N.A.			

ANNEXURE–5

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

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

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

6. **Average net profit of the Company as per section 135(5):** ₹35,84,16,146.9/-

7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹40,85,913/-

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

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

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹40,85,913/-

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹43,36,580/-	-	-	-	-	-

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

SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Building of Multispecialty Hospital	Promoting healthcare	Yes	Gujarat	Ahmedabad	3 years	11,00,000/-	11,00,000/-	-	No	Trimurti Hospital Trust	CSR00046845

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Distributing kits containing mattress, bedsit, pillow, and blanket to the needy.	livelihood enhancement projects	Yes	Gujarat; Rajasthan, Maharashtra, Madhya Pradesh, Uttar Pradesh		32,36,580	Yes	-	-

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹43,36,580 /-

(g) Excess amount for set off, if any: ₹2,50,667/-

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

SRN	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1.	2022-23	-	-	-	-	-	-
2.	2021-22	₹15,25,795/-	₹7,00,000/-	-	-	-	₹8,25,795/-
3.	2020-21	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SRN	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed / Ongoing
1	--	--	--	--	--	--	--	--

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY & CODE OF GOVERNANCE

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

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

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

CODE OF CONDUCT AND ETHICS

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

CEO / CFO CERTIFICATION

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

1. BOARD OF DIRECTORS

- **COMPOSITION OF THE BOARD OF DIRECTORS**

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

  As on March 31, 2024, the strength of the Board was 8 (Eight) comprising of Vice Chairman & Managing Director and Joint Managing Director, 2 (two) Non-Executive Directors, and 4 (four) Independent Directors which includes 1 (one) Woman Independent Director. Independent Directors are free from any business or other relationship that could materially influence their judgment.

  None of the Directors on the Board hold directorships in more than 8 (eight) Listed Companies or 10 (ten) public companies or act as an Independent Director in more than 7 (seven) Listed Companies. Further, none of them is a member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the public companies in which he / she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been made by the Directors.

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

In the opinion of the Board, the Non-Executive Independent Directors fulfil the conditions as specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Non-Executive Independent Directors had resigned before the expiry of their respective tenures during the financial year 2023-24.

Details of Directors as on March 31, 2024 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2024 are given below:

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

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

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

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

$ Resigned w.e.f. February 3, 2024

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

- **RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION**

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

- **MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS**

SRN	Name of the Directors	Skills/Expertise/Specialization
1.	Alok Prasad	Mr. Alok Prasad is a veteran banker with over 38 years of regulatory, banking, and financial services experience. He is regarded as an expert for financial inclusion and more broadly, access to finance matters. Currently, he is connected with a number of Banks and NBFCs as a Strategic Adviser and Board Member.
2.	Jayendra Patel	Mr. Jayendra Patel has more than 32 years of Senior Managerial and board level experience in the finance sector and has managed the Company's growth. He has the ability to combine experience, knowledge & perspective to make sound business decisions. His understanding and the vision are among the key enables for the consistent performance of the Company.
3.	Aalok Patel	Mr. Aalok Patel brings a vast array of innovative knowledge to the Company. His Understanding of finance sector with specific emphasis on various factors influencing the business in the sector. He has the ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning & efficient use of resources. He also excels to equity analysis and valuation as well; his research has been quoted in reputable business journals.
4.	Aakash Patel	Mr. Aakash Patel has over 19 years of computer and business experiences, which includes over 3 years of experience as a consultant with Deloitte, 2 years with Intellitools as a software developer, and amongst others companies such as Hewlett Packard, EMC Corporation, SoftscapeInc, Sumtotals Systems.
5.	Ritaben Patel	Mrs. Ritaben J. Patel, is a Graduate in Economics. She also holds Banking qualifications from First National Bank of Chicago, USA. She has worked with various US banks like First National Bank of Chicago, Golf Mill Bank, Morton Grove Bank in various capacities for more than a decade.
6.	Yash Shah	Mr. Yash is currently partner with DBS, an organisation having 16 chartered accountants and offices in Ahmedabad, Baroda and Mumbai. His prime area of expertise is consulting for clients in the fields of Mergers & Acquisitions and Valuations. He also heads the overall business development of the firm and ensures all projects are run with utmost efficiency and to the best of the firm's ability. Prior to DBS, Mr. Yash was with KPMG, Mumbai for nearly 3 years wherein he was a part of the MA division. He has worked for various clients such as Siemens, Orchid Pharma, Pratibha Industries, Siyarams, WIMCO etc. He has written various papers for organisations such as Chartered Accountant Association (CM) and Jain International Trade Organisations on the topic of Domestic Transfer Pricing, and Cross Border Transactions. He has also given lectures in forums such as YEO (Young Entrepreneur's Organisation) in the topic of Mergers & Acquisition.
7.	Ramakant Nagpal	Mr. Ramakant Nagpal is a performance driven professional having over 3 decades of experience in Banking & NBFC sector. In his long and vast career in Banking, he acted among other positions as Senior Internal auditor of Central Bank of India and played a crucial role in unearthing scams and frauds. He has also carried out large number of special audit assignments involving inspection of large borrower accounts for reporting of diversion of funds and unearthed Maritime Import/Export LC frauds.
8.	Geeta Solanki	Mrs. Geeta Solanki is a serial social entrepreneur in Women's health, hygiene, and social development. Post her career as a marking professional, she was involved in improving women's health during pregnancy by providing guidance on exercise, diet and medication for 6 years. As a woman with family roots in rural agriculture, she was acutely aware of the issues and taboo surrounding menstrual hygiene in rural areas. She received the 'Bharat Ki Laxmi' award from The Ministry of Women and Child Development, and also serves as an expert on numerous panels and summits on Women's hygiene.

BOARD MEETINGS

The Company held one Board Meeting in each quarter and the gap between two Board meetings was in compliance with the provisions contained in Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board met 5 (five) times in financial year and details of which are summarized as below:

SRN	Date of Meeting	Board Strength	No. of Director Present
1.	May 30, 2023	9	7
2.	August 14, 2023	9	9
3.	November 01, 2023	9	9
4.	December 19, 2023	9	8
5.	February 03, 2024	9	8

- **MEETING OF INDEPENDENT DIRECTORS**

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

2. AUDIT COMMITTEE

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

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

- **COMPOSITION**

The Audit Committee comprises following Directors:

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

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

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Audit Committee met 5 (five) times on May 30, 2023; August 14, 2023; November 01, 2023; December 19, 2023; and February 03, 2024. The attendance at the meetings is as under:

Name of Directors	No. of Meetings attended
Mr. Yash Shah- Chairman	4
Mr. Alok Prasad	5
Mr. Ramakant Nagpal	5
Mrs. Ritaben Patel	4

3. NOMINATION AND REMUNERATION COMMITTEE

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

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

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

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

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

- **COMPOSITION**

The following Directors are the members of the Committee:

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

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Nomination & Remuneration Committee met 3 (Three) times on May 30, 2023; August 14, 2023; and February 03, 2024. The attendance at the meetings is as under

Name of Directors	No. of Meetings attended
Mr. Ramakant Nagpal- Chairman	3
Mr. Alok Prasad	3
Mr. Yash Shah	2
Mrs. Geeta Solanki	3

- **REMUNERATION TO DIRECTORS**

The Vice Chairman Managing Director and Joint Managing Director get the salary including perquisites. Remuneration paid for the year ended March 31, 2024 was as under:

Name of the Director	Remuneration	Period of appointment	Approving Authority
Jayendra Patel	21.21 lakhs	Five years w.e.f. September 01, 2021	29th AGM
Aalok Patel	10.38 lakhs	Five years w.e.f. August 21, 2019	27th AGM
Total	**31.59 lakhs**		

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

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

ii. Remuneration is determined keeping in view the industry benchmarks.

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

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

Name of the Director	Sitting Fees Paid (₹ In lakhs)	No. of Equity Shares held
Mr. Alok Prasad	2.08	–
Mr. Yash Shah	1.23	–
Mr. Ramakant Nagpal	1.48	–
Mr. Aakash Patel	Nil	–
Mr. Mridul Arora	Nil	–
Mrs. Ritaben Patel	1.00	4,36,089
Ms. Geeta Solanki	0.85	–

During financial year 2023-24, there were no pecuniary relationship/transactions of any non–executive directors with the Company, apart from remuneration as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public. During financial year 2023-24, the Company did not advance any loans to any of its directors.

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

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

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

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

- **COMPOSITION**

The following Directors are the members of the Committee.

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

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Stakeholders Relationship Committee met 1 (one) time on February 03, 2024. The attendance at the meetings is as under

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

- **SHARE TRANSFER COMMITTEE**

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

During the year, the Company has received 6 complaints from the shareholder which were duly resolved. The quarterly statements on investor complaints received and disposed of are filed with stock exchanges within 21 days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

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

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

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

During the financial year 2023-24, six complaints were received from investors/shareholders of the Company, which were duly resolved in time. As at March 31, 2024, no complaints were pending unsolved.

5. CORPORATE SOCIAL RESPONSIBILITY MEETING

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

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

i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII;

ii. recommend the amount of expenditure to be incurred on the activities referred to in above clause; and

iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

- **COMPOSITION**

The following Directors are the members of the Committee.

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

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Corporate Social Responsibility Committee met 2 (two) times on August 14, 2023; and November 01, 2023. The attendance at the meetings is as under

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

6. FINANCE & INVESTMENT COMMITTEE

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The role of the Finance & Investment Committee is:

i. To obtain secured/unsecured loan, not exceeding the limit prescribed under section 180(1)(c) of the Companies Act, 2013 from time to time as may be required for the purposes of the business of the Company;

ii. To raise fund through portfolio sale / securitization / direct assignments of book debts;

iii. To enter into routing transactions with banks / financial institutions;

iv. To make short term investments on behalf of the Company;

v. To grant loan/giving guarantee(s) or providing any security(s) to banks, financial institutions or any other lending institutions, firms, proprietorship concern, bodies corporate, companies or persons, in one or more tranches, and on such other terms and conditions in the interest of the subsidiary Company.

- **COMPOSITION**

The Finance & Investment Committee comprises following members:

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

7. RISK MANAGEMENT COMMITTEE

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

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The role of the Risk Management Committee is to:

i. Overall responsibility to monitor and approve the Risk Management Framework;

ii. Ensuring proper identification of the risk associated with the Company;

iii. Assistance to the Board in determining the measures that can be adopted to mitigate the risk;

iv. Ensuring that appropriate measures are being taken to achieve prudent balance between risk and reward in both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth;

- **COMPOSITION**

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

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

*Resigned as a member of Risk Management Committee w.e.f. June 15, 2023.

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Risk management Committee met 4 (four) times on June 14, 2023, September 13, 2023, December 30, 2023 and March 19, 2024. The attendance at the meetings is as under

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

8. ASSET & LIABILITY MANAGEMENT COMMITTEE

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

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

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

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

- **COMPOSITION**

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

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

*Resigned as a member of Risk Management Committee w.e.f. June 15, 2023.

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Asset & Liability Management Committee met 4 (four) times on June 14, 2023, September 13, 2023, December 30, 2023 and March 19, 2024. The attendance at the meetings is as under

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

9. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Nomination and Remuneration Committee is empowered by the Board to carry out the entire performance evaluation process. Further, at a separate meeting held on February 03, 2024, Independent Directors evaluated performance of individual Directors, Board as a whole and Chairman. The director, whose performance was being evaluated did not take part in such evaluation. Evaluation form on various parameters enumerated below:

- **Board Evaluation**

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

- **Executive Directors Evaluation**

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

- **Independent Directors Evaluation**

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

- **Chairman Evaluation**

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

- **Committees Evaluation**

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

10. GENERAL BODY MEETINGS

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

Year	Venue of A.G.M	Day, Date & Time	No. of Special Resolutions
2020-21	Virtual Meeting	Wednesday, September 29, 2021, 12.00 p.m.	3
2021-22	Virtual Meeting	Thursday, September 29, 2022 at 12.00 p.m.	2
2022-23	Virtual Meeting	Friday, September 29, 2023 at 12.00 p.m.	6

- **Details of Resolution Passed through Postal Ballot**

The shareholders of the Company have, by way of postal ballot, passed the special resolutions for reappointment of Mr. Alok Prasad as an Independent Directors for his 2nd term of 5 years and passed the special resolutions for Approval of 'ARMAN -EMPLOYEE STOCK OPTION PLAN – 2023' ("ESOP PLAN 2023"). The result of postal ballot was announced on July 4, 2023. Mr. Ishan Shah was appointed as Scrutiniser to scrutinise the process of postal ballot. The Company has also provided e-voting facility to the shareholders to cast their votes on the resolutions mentioned in postal ballot notice. The Voting results are as follows:

i. Approval of 'Arman -Employee Stock Option Plan – 2023' ("ESOP Plan 2023")

Voting Period	Commenced on Monday, 05th June, 2023 at 9:00 am (IST) and ended on Tuesday, 04th July, 2023 at 5:00 pm (IST)	
Members as on Cut – off date	11269	
Announcement of Consolidated Results	July 4, 2023	
Voting Pattern	**Particulars**	**Number**
	Number of valid Electronic Votes received	25,02,043
	Votes in favour of the resolution	24,92,937
	Votes against the resolution	9,106

ii. Approval of Employee Stock Option Plan - 2023 for the eligible employees of the subsidiary company.

Voting Period	Commenced on Monday, 05th June, 2023 at 9:00 am (IST) and ended on Tuesday, 04th July, 2023 at 5:00 pm (IST)	
Members as on Cut – off date	11269	
Announcement of Consolidated Results	July 5, 2023	
Voting Pattern	**Particulars**	**Number**
	Number of valid Electronic Votes received	25,02,043
	Votes in favour of the resolution	24,92,837
	Votes against the resolution	9,206

iii. Re-Appointment of Mr. Alok Prasad (DIN: 00080225) as an Independent Director.

Voting Period	Commenced on Monday, 05th June, 2023 at 9:00 am (IST) and ended on Tuesday, 04th July, 2023 at 5:00 pm (IST)	
Members as on Cut – off date	11269	
Announcement of Consolidated Results	July 5, 2023	
Voting Pattern	**Particulars**	**Number**
	Number of valid Electronic Votes received	25,02,043
	Votes in favour of the resolution	25,01,980
	Votes against the resolution	63

11. FAMILIARIZATION PROGRAMME

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

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

12. DISCLOSURE ON MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, there has been no materially significant related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may have potential conflict with the interest of the Company at large. All related party transactions are placed on quarterly basis before the Audit Committee and also before the Board for approval. Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

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

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

13. STRICTURES AND PENALTIES

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

14. WHISTLE BLOWER POLICY

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

15. MEANS OF COMMUNICATION

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

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

16. SUBSIDIARY COMPANIES

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

Name	Date & Place of Incorporation	Statutory Auditors
Namra Finance Limited	Date of Incorporation: 27/03/2012 Place: Ahmedabad	Samir M. Shah & Associates were appointed as Statutory Auditor of the Company on September 29, 2022.

17. GENERAL SHAREHOLDER INFORMATION

a) Exclusive E-Mail id for investor grievances

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

Compliance Officer: Mr. Jaimish G. Patel

b) Toll Free Number for Investor Grievances

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

c) Annual General Meeting

The 32nd Annual General Meeting will be held on Friday, September 27, 2024 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

d) Financial Calendar

First quarter results: July/August 2024
Second quarter results: October/November 2024
Third quarter results: January/February 2025
Annual results: April/May 2025
Annual General Meeting: August/September 2025

e) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 (both days inclusive) for determining the name of members eligible to attend the AGM.

f) Dividend Payment

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

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

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

h) Shares listed at

- The BSE Limited
  Address: 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.
- National Stock Exchange of India Limited
  Address: Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India.

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

i) Stock Codes

The script code of the Company at BSE is - 531179

The trading symbol of the Company at NSE is - ARMANFIN

j) International Securities Identification Number (ISIN)

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

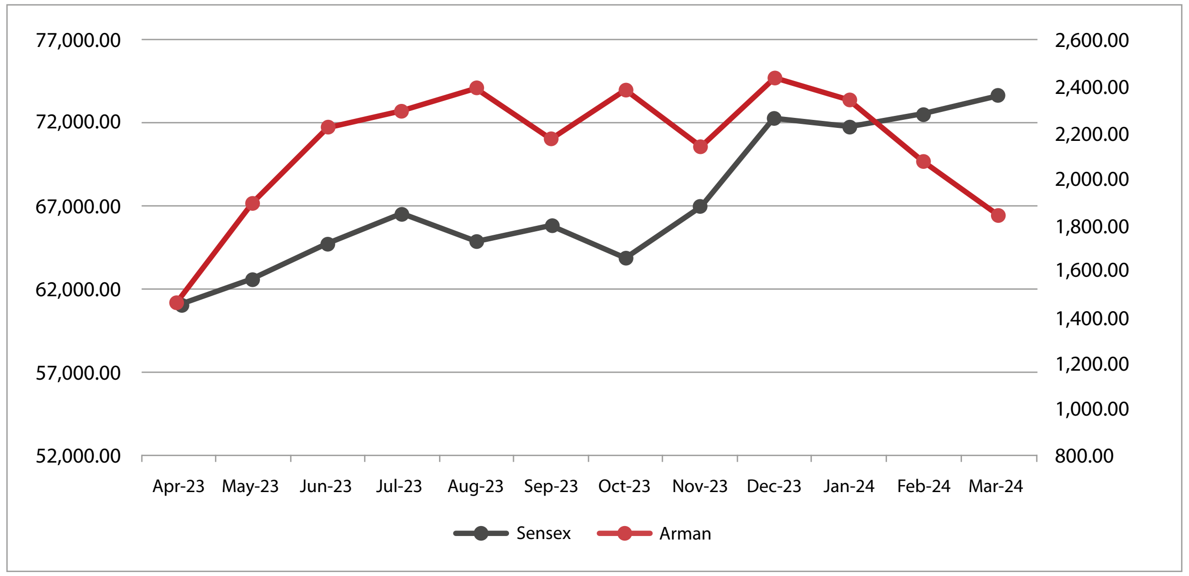
k) Corporate Identity Number (CIN)

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

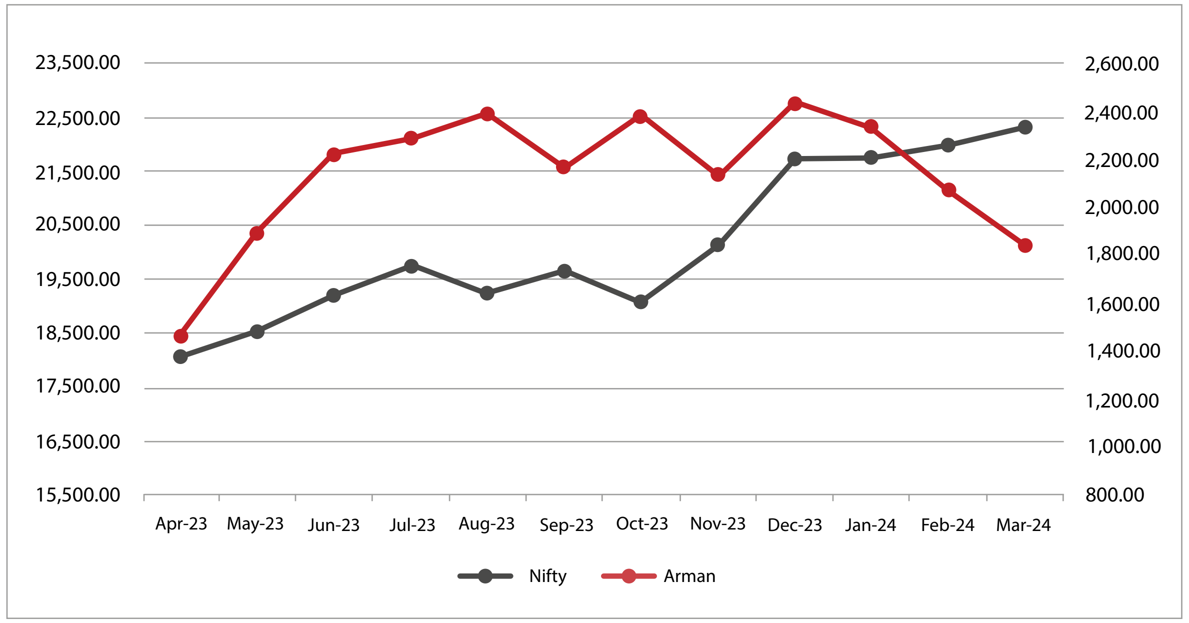
l) High/Low of monthly market price of the Company's equity shares traded on the BSE Limited and National Stock Exchange of India Limited during the financial year 2023-24 is furnished below:

Months	Share price BSE		Share price NSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2023	1,501.05	1,325.00	1,492.95	1,327.85
May, 2023	1,895.15	1400.05	1,900.20	1404.00
June, 2023	2,290.00	1815.05	2,290.00	1,816.30
July, 2023	2,361.70	2,060.60	2,324.00	2,085.10
August, 2023	2,540.30	2,145.20	2,539.70	2,162.35
September, 2023	2,429.95	2,130.85	2,415.85	2,131.85
October, 2023	2,443.00	2,151.30	2,450.00	2,150.00
November, 2023	2,516.15	2,020.00	2,487.20	2,019.15
December, 2023	2,676.10	2,123.05	2,680.00	2,125.00
January, 2024	2,635.00	2,261.20	2,637.30	2,256.60
February, 2024	2,540.00	2,050.00	2,477.00	2,062.00
March, 2024	2,161.70	1,715.00	2,153.95	1,696.60

m) Performance of Company's equity shares as compared with S&P BSE SENSEX during financial year ended March 31, 2024:



n) Performance of Company's equity shares as compared with NSE NIFTY 50 during financial year ended March 31, 2024:



o) Share transfer system

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

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

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

p) Distribution of Shareholding as on March 31, 2024

- **On the basis of Share held:**

SRN	Category (Shares)	Electronic			Physical			Total		
		Holders	Shares	% to total shares	Holders	Shares	% to total shares	Holders	Shares	% to total shares
1	1-500	18,507	10,83,844	10.46	816	93,310	82.64	19,323	11,77,154	11.24
2	501-1000	469	3,39,701	3.28	13	11,300	10.01	482	3,51,001	3.35
3	1001-2000	211	3,01,218	2.91	4	6,100	5.40	215	3,07,318	2.93
4	2001-3000	70	1,75,940	1.70	1	2,200	1.95	71	1,78,140	1.70
5	3001-4000	42	1,47,851	1.43	-	-	-	42	1,47,851	1.41
6	4001-5000	24	1,06,133	1.02	-	-	-	24	1,06,133	1.01
7	5001-10000	41	3,01,197	2.91	-	-	-	41	3,01,197	2.87
8	Above 10000	100	79,07,980	76.30	-	-	-	100	79,07,980	75.48
	TOTAL	**19,464**	**1,03,63,864**	**100.00**	**834**	**1,12,910**	**100.00**	**20,298**	**1,04,76,774**	**100.00**

- **On the basis of Category:**

SRN	Category	Total Shareholders	Total Shares	% of Shares
1.	Promoter Group	9	23,14,738	22.09
2.	Elevation Capital V Limited	1	14,48,740	13.83
3.	Mutual Funds	9	3,99,224	3.81
4.	Insurance Companies	2	1,28,160	1.22
5.	Bodies Corporate	222	4,70,574	4.49
6.	Foreign portfolio investor	26	10,68,825	10.20
7.	Central /State Government	1	30	0.00
8.	Public	18,375	33,96,814	32.48
9.	Alternate Investment Funds	6	1,31,776	1.26
10.	IEPF Authority	1	1,96,760	1.88
11.	NRI	753	7,50,112	7.16
12.	Clearing Members	11	56,025	0.53
13.	HUF	327	1,08,319	1.03
14.	Trusts	1	277	0.00
15.	Firm	1	200	0.00
	Total	**19,745**	**1,04,76,774**	**100.00**

q) Dematerialization of shares and liquidity

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

During the year, the Company has electronically confirmed demat requests for 28,700 equity shares. As on March 31, 2024, 98.92% of the total shares issued by the Company were held in dematerialised form. The Company requesting to those shareholders who have their shares in physical form to convert it in Demat form.

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

r) Code of conduct for prevention of insider trading

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

s) Reconciliation of share capital audit report

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

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

t) Outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2024

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2024.

u) Employees Stock Option Scheme

During the year 1245 options were exercised by employees of the Company / subsidiary Company and subsequently allotted and listed on the Stock Exchanges. During the year under review, the Company has granted 1,000 fresh option under the "ARMAN ESOP 2016".

During the year under review, the Company has approved 'Arman -Employee Stock Option Plan – 2023' ("ESOP Plan 2023") consisting of 300,000 options of equity shares of face value ₹10/-. The Company had granted 1,48,600 ESOPs on August 14,2023 to the eligible employees of the Company/ Subsidiary Company.

v) Plant Locations

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

w) Address for Correspondence

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

(1) Arman's Address

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

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

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

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

y) Credit Ratings

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

CARE has upgraded its rating for various Non-Convertible Debentures ("NCDs") from **"CARE BBB+"**; stable (Triple B plus; outlook stable) to **"CARE A-"**; stable (A minus; outlook stable). CARE has also upgraded its rating for various Non-Convertible Debentures ("NCDs") of Namra Finance Limited from **"CARE BBB+"**; stable (Triple B plus; outlook stable) to **"CARE A-"**; stable (A minus; outlook stable).

The Grading of Namra Finance Limited (WOS) was also reaffirmed **'MFI 1'** (MFI one) by CARE Advisory Research & Training Limited during the year 2023-24. The credit rating details of the Company as on March 31, 2024 were as follows.

Instruments	Name of rating agency	Date of rating	Rating assigned
Bank Loan Ratings	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Reaffirmed
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Assigned
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Reaffirmed
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	PP-MLD | ACUITE A- | Stable | Reaffirmed
Non-Convertible Debentures (NCD)	CARE Ratings	06-03-2024	CARE A- | Stable
Non-Convertible Debentures (NCD)	CARE Ratings	06-03-2024	CARE A- | Stable
Securitisation (BL 2023 CAIRO - Series A1(a) PTCs)	CARE Ratings	16-05-2023	CARE A+ (SO)
Securitisation (BL 2023 CAIRO - Series A1(b) PTCs)	CARE Rating	16-05-2023	CARE A- (SO)

z) Details of utilization of funds raised

During the year under review, the Company has raised ₹229.99 cr. by way of issuance of 10,47,835 Equity shares of ₹10/- each at a premium of ₹2,185/- per share. The Company has utilized the above fund towards augmentation of capital and general corporate purposes. Further, the Company has raised the debt fund from Banks / Financial Institutions and by way of issuance of Non Convertible Debentures. These debt funds have been utilized for the purpose for which the funds were raised.

aa) We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

bb) There were no circumstances where board had not accepted any recommendation of any committee of the board during the year.

cc) The Consolidated fees paid by the Company and its subsidiary to statutory auditors is ₹43.91 lakhs (towards audit fees, tax audit, certification work, income tax consultancy fee and special purpose audit assignment for Qualified Institutions Placement) for the financial year 2023-24.

dd) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

ee) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has obtained a certificate affirming the compliances from Practicing Company Secretary, CS Gautam Virsadiya and the same is attached to this Report.

ff) During the year under review, there were no complaint i.e. incidences of sexual harassment reported.

gg) There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

hh) Details of Debenture Trustee:

- Catalyst Trusteeship Limited
  901, 9th Floor, Tower-B, Peninsula
  Business Park, Senapati Bapat Marg,
  Lower Parel (W), Mumbai-400013
  Email: ComplianceCTL-Mumbai@ctltrustee.com
  Phone: 022- 4922 0555
- IDBI Trusteeship private Limited
  Universal Insurance Building,
  Ground Floor, Sir P.M. Road,
  Fort, Mumbai - 400001
  Email: itsl@idbitrustee.com
  Phone: 022- 40807000
- Vardhman Trusteeship Private Limited
  The Capital, A Wing, 412 A,
  Bandra Kurla Complex (BKC),
  Bandra (East), Mumbai - 400051,
  Maharashtra
  Email: rushabh@vardhmantrustee.com
  Phone: 022-42648335

18. Particulars of Senior Management:

As on March 31, 2024, the following officials are categorized under Senior Management Personnel category (Other than Board members and KMPs):

S. No.	Name	Designation
1.	Mr. Sanjeev Mishra	Chief Operating Officer - Micro Finance
2.	Mr. Mahendar Pinninti	Product Head - MSME & Rural TW
3.	Mr. Dipak Chavada	Head Operation – Vehicle Finance
4.	Mr. Rupesh Trivedi	Head – Loan Against Property
5.	Mr. Moorthy Govindarajan	Chief Risk Officer
6.	Mr. Saravanan Jaichandran	Group Head - HR
7.	Mr. Manoj Jha	Head IT Planning & Strategy
8.	Mr. Atul Patel	Chief Accountant
9.	Mr. Prashant Modi	Vehicle Finance Collections Head
10.	Mr. Kamlesh Garg	Management Information Systems Head
11.	Mr. Nitesh Mishra	Internal Audit Head
12.	Mr. Nagesh Kumar Goudelly	Credit Head

Following change(s) took place in the Senior Management Personnel of the Company during the year under review:

Name	Designation	Change
Mr. Srinivasa Raghvan	Chief Risk Officer	Resignation
Mr. Moorthy Govindarajan	Chief Risk Officer	Appointment
Mr. Dipak Chavada	Head Operation – Vehicle Finance	Appointment
Mr. Ravi Patel	Group Head - HR	Resignation
Mr. Saravanan Jaichandran	Group Head - HR	Appointment
Mr. Nitesh Mishra	Internal Audit Head	Appointment
Mr. Rupesh Trivedi	Head – Loan Against Property	Appointment

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Arman Financial Services Limited,
Ahmedabad

I have examined the Compliance Conditions of Corporate Governance by Arman Financial Services Limited for the year ended on March 31, 2024 as per para-E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 01, 2023 to March 31, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366F000977550

Date: August 14, 2024
Place: Ahmedabad

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

All the Board Members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management of Arman Financial Services Limited for the financial year ended March 31, 2024.

For, and on behalf of the Board

Jayendra Patel
Chief Executive Officer
DIN: 00011814

Date: August 14, 2024
Place: Ahmedabad

CEO-CFO CERTIFICATION

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

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

A. We have reviewed financial statements and the cash flow statement for the financial year ending March 31, 2024 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:
   a. significant changes in internal control over financial reporting during the year;
   b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For, Arman Financial Services Limited
Jayendra Patel
(Chief Executive Officer)

For, Arman Financial Services Limited
Vivek Modi
(Chief Financial Officer)

Date: August 14, 2024
Place: Ahmedabad

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Arman Financial Services Limited
Ahmedabad

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Arman Financial Services Limited ("Herein after referred to as "the Holding Company"), and its Subsidiary – Namra Finance Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated statement of Profit and Loss (Including other Comprehensive Income), the Consolidated statement for Changes in Equity and the Consolidated statement of Cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ("herein after referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of a subsidiary – Namra Finance Limited as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024 of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2024 the Group has financial assets (loans) amounting to ₹2,03,291.17 Lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2024. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The broader macroeconomic situation, including inflation rates, interest rates, and overall economic growth, has influenced the change in the estimation of expected credit losses. The management has recognized a provision of ₹2,555.00 Lakhs in Consolidated Statement of Profit and Loss for the year ended March 31, 2024. Considering the significance of above matter to the Consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the Consolidated financial statements were reasonable and the related disclosures made by the management were adequate. These procedures included, but not limited, to the following: a) Obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated expected credit losses and the appropriate data on which the calculation is based; b) Testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; c) Developing a point estimate by making reference to the ECL recognized by entities that carry comparable financial assets; d) Testing the arithmetical calculation of ECL; e) Verifying the adequacy of the related disclosures; and f) Obtaining written representations from management whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

OTHER INFORMATION

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

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

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

MANAGEMENT'S RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

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

The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by Management and the Directors of the Holding Company, as aforesaid.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its Subsidiary to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTER

We did not audit the financial statements of a subsidiary Namra Finance Limited included in the consolidated financial Statements, whose financial statements (before consolidation adjustments) reflects total assets of ₹2,06,861.50 Lakhs as at March 31, 2024 and total revenues (Including Other Income) ₹53,024.77 Lakhs for the year ended on March 31, 2024, total net profit after tax of ₹13,833.33 Lakhs for the year ended March 31, 2024, total comprehensive income of ₹14,413.48 Lakhs for the year ended on March 31, 2024 and net cash inflow of ₹2,428.95 Lakhs for the year ended on March 31, 2024, as considered in the consolidated Financial Statements. The independent auditor's report on financial statements of this entity has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the report of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

   There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143 (3) of the Act, we report to the extent applicable, that

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 3(f) below on reporting under rule 11(g);

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated

Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

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

a) The Consolidated Financial Statement disclose the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 31 to the Consolidated Financial Statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material misstatement.

e) The Company has not declared any Dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

f) Based on our examination and respective auditor of subsidiary company, The Group has not used accounting software with an audit trail (edit log) facility. Consequently, we are unable to report whether the audit trail facility has been operated and maintained throughout the year for all transactions recorded in the software, or if the audit trail feature has been tampered with.

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

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

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

CA Kushal U. Talati
Partner
UDIN: 24188150BKACVE4370
Membership No. 188150

Place: Ahmedabad
Date: May 27, 2024

ANNEXURE "A"

To Independent Auditor's Report on Consolidated Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2024

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

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

OPINION

We have audited the internal financial controls over financial reporting of ARMAN FINANCIAL SERVICES LIMITED as of March 31, 2024, in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to the Consolidated financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group assets that could have a material effect on the Consolidated Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

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

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

CA Kushal U. Talati
Partner
UDIN: 24188150BKACVE4370
Membership No. 188150

Place: Ahmedabad
Date: May 27, 2024

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	11,859.04	2,622.12
(b) Bank Balance other than (a) above	2	40,613.52	40,409.67
(c) Loans	3	203,291.17	153,670.75
(d) Investments	4	711.81	1,947.93
(e) Other Financial assets	5	4,102.33	2,888.59
(2) Non-financial Assets			
(a) Deferred tax Assets (Net)	6	1,915.47	1,546.51
(b) Property, Plant and Equipment	7	595.35	482.28
(c) Other Intangible assets	7	29.29	34.04
(d) Right-of-Use Assets	7	141.48	94.03
(e) Other non-financial assets	8	246.27	120.49
Total Assets		**263,505.73**	**203,816.41**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	9		
(i) total outstanding dues of MSME		65.68	-
(ii) total outstanding dues of Non-MSME		132.87	152.47
(b) Debt Securities	10	30,237.05	24,335.49
(c) Borrowings (Other than Debt Securities)	11	139,755.71	129,747.16
(d) Subordinated Liabilities	12	2,500.00	6,358.45
(e) Other financial liabilities	13	8,125.74	5,638.81
(2) Non-Financial Liabilities			
(a) Provisions	14	258.88	199.71
(b) Current Tax Liabilities (Net)	15	722.60	459.56
(c) Other non-financial liabilities	16	438.61	355.70
(3) EQUITY			
(1) Equity Share capital	17	1,047.68	849.23
(2) Other Equity	18	80,220.90	35,719.82
Total Liabilities and Equity		**263,505.73**	**203,816.41**
See accompanying notes to the financial statements	**1 to 45**		

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
(1)	**Revenue from operations**			
	Interest income	19	59,308.18	38,672.03
	Gain on Assignment of Financial Assets	20	3,690.30	1,877.61
	Fees and Commission Income	21	2,330.29	1,640.12
	Net gain on fair value changes	22	816.88	200.36
	Total Revenue from operations (1)		**66,145.66**	**42,390.12**
(2)	Other Income	23	7.11	0.34
(3)	**Total Income (1+2)**		**66,152.77**	**42,390.47**
(4)	**Expenses**			
	Finance Costs	24	26,547.49	17,199.63
	Impairment of Financial Assets	25	6,509.36	4,473.22
	Employee Benefits Expenses	26	7,159.48	5,465.29
	Depreciation, amortization and impairment	27	142.37	115.49
	Others expenses	28	2,985.12	2,641.47
	Total Expenses (4)		**43,343.82**	**29,895.10**
(5)	**Profit / (loss) before tax (3-4)**		**22,808.95**	**12,495.37**
(6)	**Tax Expense:**			
	(1) Current Tax	29	5,974.30	2,832.90
	(2) Short / (excess) Provision of Income Tax of earlier years	29	38.47	15.10
	(3) Deferred Tax	29	(561.10)	266.24
(7)	**Profit/(loss) for the period (5-6)**		**17,357.28**	**9,381.13**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined Benefit Obligations plan		(6.88)	(46.60)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.73	11.73
	Subtotal (A)		**(5.15)**	**(34.87)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI		770.32	(596.00)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(193.87)	150.00
	Subtotal (B)		**576.44**	**(446.00)**
	Other Comprehensive Income (A + B)		**571.29**	**(480.87)**
(9)	**Total Comprehensive Income for the period (7+8)**		**17,928.57**	**8,900.25**
(10)	**Earnings per equity share**			
	Basic (₹)	30	195.00	110.47
	Diluted (₹)	30	192.76	107.28
	See accompanying notes to the financial statements	**1 to 45**		

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(A) Equity share capital (Refer Note 17)

FY 2023-24

(₹ in Lakhs)

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 year	Balance as at March 31, 2024
Ordinary equity share capital	849.23	-	849.23	198.44	1,047.68

FY 2022-23

Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Ordinary Equity share capital	849.16	-	849.16	0.08	849.23

(B) Other equity (Refer note 18)

(₹ in Lakhs)

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		
FY 2023-24								
Balance as at March 31, 2023	**6,383.05**	**162.35**	**5,088.30**	**6,903.37**	**17,869.78**	**23.75**	**(710.79)**	**35,719.82**
Profit for the year	-	-	-	-	17,357.28	-	-	17,357.28
Other comprehensive income (net of taxes)	-	-	-	-	-	-	571.29	571.29
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**17,357.28**	**-**	**571.29**	**17,928.57**
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	3,525.00	-	(3,525.00)	-	-	-
Transferred during the year in securities premium	(6,375.65)	-	-	33,021.84	-	(8.72)	-	26,637.47
Share Issue Expense	-	-	-	(699.80)	-	-	-	(699.80)
Transfer during the year in General Reserve	-	11.00	-	-	(11.00)	-	-	-
Transferred to liability component	(7.41)	-	-	-	-	-	-	(7.41)
Share based payment to employees (ESOP)	-	-	-	-	-	642.24	-	642.24
Balance as at March 31, 2024	**-**	**173.35**	**8,613.30**	**39,225.40**	**31,691.06**	**657.27**	**(139.50)**	**80,220.90**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2024

(B) Other equity (Refer note 18) (contd.)

(₹ in Lakhs)

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		
FY 2022-23								
Balance as at March 31, 2022	**-**	**151.35**	**3,176.30**	**6,897.96**	**10,411.66**	**12.10**	**(229.92)**	**20,419.45**
Profit for the year	-	-	-	-	9,381.13	-	-	9,381.13
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(480.87)	(480.87)
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**9,381.13**	**-**	**(480.87)**	**8,900.25**
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	1,912.00	-	(1,912.00)	-	-	-
Additions during the year in securities premium	-	-	-	5.41	-	(5.11)	-	0.30
Transfer during the year in General Reserve	-	11.00	-	-	(11.00)	-	-	-
Issue of CCD and OCRPS	6,383.05	-	-	-	-	-	-	6,383.05
Share based payment to employees (ESOP)	-	-	-	-	-	16.76	-	16.76
Balance as at March 31, 2023	**6,383.05**	**162.35**	**5,088.30**	**6,903.37**	**17,869.78**	**23.75**	**(710.79)**	**35,719.82**

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2024

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2024		For the year ended March 31, 2023	
A:	**Cash from Operating Activities:**				
	Net profit before taxation		22,808.95		12,495.37
	Adjustment For:				
	Depreciation and amortisation	113.77		87.59	
	Depreciation on Right of Use Assets	28.59		27.90	
	Interest Income	(59,308.18)		(38,672.03)	
	Net gain on equity instruments measured through FVTPL	(46.81)		7.25	
	Finance cost Expense	26,547.49		17,199.63	
	Provision for impairment on financial assets	2,555.00		188.30	
	Net Loss on Derecognition of Intangible Assets	0.24		-	
	(Profit) / loss on sale of property, plant and equipment	(7.35)		-	
	Gain On Assignment of Assets (Net of Expense)	(3,690.30)		(1,877.61)	
	Loss / (Profit) on sale of Current Investment	(770.07)		(207.62)	
	Remeasurement of define benefit plan	(6.88)		(46.60)	
	Employee Stock Option Plan Expense	642.24	(33,942.26)	16.76	(23,276.43)
	Operating profit before working Capital changes:		(11,133.31)		(10,781.06)
	Adjustment For Increase / (Decrease) in Operating Assets:				
	Loans and Advances	(50,391.96)		(48,649.59)	
	Financial Assets	2,336.01		1,222.41	
	Non Financial Assets	(125.77)		(7.61)	
	Bank balance other than Cash and Cash equivalents	(203.85)		(33,728.40)	
	Adjustment For Increase/(Decrease) in Operating Liabilities:				
	Trade Payables	46.08		6.99	
	Other Non Financial liability	82.91		225.25	
	Other Financial Liabilities	2,022.08		2,104.44	
	Subordinated Debts	(79.76)		269.83	
	Provision	59.17	(46,255.10)	83.97	(78,472.70)
	Cash Generated From Operations		(57,388.41)		(89,253.76)
	Interest Income Received	59,448.74		37,685.39	
	Finance Cost Paid	(26,551.01)		(17,535.05)	
	Income tax paid	(5,749.72)	27,148.01	(2,662.68)	17,487.67
	Net Cash From Operating Activities:		(30,240.40)		(71,766.09)
B:	**Cash Flow From Investing Activities:**				
	Purchase of Property, Plant & Equipment	(237.45)		(236.10)	
	Sale of Property, Plant & Equipment	22.46		-	
	Purchase of investments	(92,524.02)		(48,752.21)	
	Sale of investments	94,577.01		47,726.68	
	Net Cash from Investment Activities:		1,838.01		(1,261.63)

CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

for the year ended March 31, 2024

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2024		For the year ended March 31, 2023	
C:	**Cash Flow From Financing Activities:**				
	Proceeds from issue of share capital (including Premium)	23,000.60		0.38	
	Share Issue Expense	(699.80)		-	
	Proceeds from issue of OCRPS (including Premium)	-		3,824.96	
	Proceeds from issue of CCD	-		7,679.97	
	Proceeds from long term borrowings	177,083.10		125,215.22	
	Repayment of borrowings	(165,761.45)		(84,123.56)	
	Repayment of CCD	(998.11)		(485.92)	
	Net increase / (decrease) in working capital borrowings	5,044.35		16,011.85	
	Repayment of Principal Component of Lease Liability (Net)	(29.37)		(25.83)	
	Net Cash from Financing Activities:		**37,639.32**		**68,097.07**
	Net Increase/(Decrease) in Cash & Cash Equivalents		**9,236.92**		**(4,930.65)**
	Cash & cash equivalents at the beginning of the year		2,622.12		7,552.76
	Cash & cash equivalents at the end of the year		11,859.04		2,622.12

As per our report of even date attached herewith

Notes:

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

Particulars	March 31, 2024	March 31, 2023
Cash on hand	102.15	64.86
Balance with Bank	11,756.89	2,557.25
Cash & cash equivalents as per Balance Sheet	11,859.04	2,622.12

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

3 **Change in liabilities arising from financing activities:**

Particulars	March 31, 2023	Cash Flows	Non Cash Changes	March 31, 2024
Debt Securities	24,335.49	6,023.22	(121.66)	30,237.05
Borrowing other than debt Securities	129,747.16	10,308.59	(300.04)	139,755.71
Total	**154,082.65**	**16,331.81**	**(421.71)**	**169,992.76**

For, **Arman Financial Services Limited**

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

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

Jayendra Patel
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Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 27.05.2024

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024.

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") and according to RBI Notification DoR.FIN.REC.No. 45/03.10.119/2023-24 dated October 19 2023, company is classified as middle layer NBFC ("NBFC-ML"). Namra Finance Limited is registered as a non-deposit taking Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI") and is classified as middle layer NBFC ("NBFC-ML"). The Group is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW"), Loan again property ("LAP") and Micro Finance JLG Loans. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

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

2. BASIS OF PREPARATION

2.1 Statement of compliance and principle of Consolidation

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

Principle of Consolidation

i) Subsidiaries: -

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

ii) Non-Controlling Interest ("NCI")

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

iii) Loss of control

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

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2024. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

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

Name of Entity	Relationship	Country	Ownership Held By	% of holding and Voting Power as at	
				March 31, 2024	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:

i) Loans at fair value through other comprehensive income ("FVOCI")

ii) Defined benefit plans - plan assets; and

iii) Investments in liquid marketable debt securities and units of mutual fund

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

Functional and presentation currency

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

2.3 Use of estimates, judgements and assumptions

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

Judgements

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

i) Business model assessment

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

Estimates and assumptions

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

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income /

expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

iii) Impairment of financial asset

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

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

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

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

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

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

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

2.4 Presentation of the standalone financial statements

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

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

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

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

B. Interest income

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

3.2 Financial instrument - initial recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

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

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

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

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

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

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

SPPI test

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

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

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

Accordingly, financial assets are measured as follows:

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

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

ii) **Financial assets measured at FVOCI**

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

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

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

iv) **Investments in Mutual Funds**

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

B. Financial liability

i) **Initial recognition and measurement**

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

ii) **Subsequent measurement**

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended March 31, 2024 and 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 modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

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

i) **Financial assets**

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

ii) **Financial liability**

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

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

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

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

B. Calculation of ECLs

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

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.

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

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

The mechanics of the ECL method are summarised below:

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

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

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

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

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

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

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

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

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

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

A. Dividend income

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

B. Income from assignment transactions

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

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

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

3.9 (II) Recognition of other expense

A. Borrowing costs

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

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

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

3.10 Cash and cash equivalents

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

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after it purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Vehicles - 8 years

iii) Office equipment - 3 to 10 years

iv) Furniture and fixtures - 10 years

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

3.12 Intangible assets

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

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

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

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

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

3.14 Corporate guarantees

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

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

3.15 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

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

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

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

Short-term employee benefits

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

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

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

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

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

C. Contingent asset

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

3.17 Taxes

A. Current tax

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

B. Deferred tax

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

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

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

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

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

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

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

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

3.18 Earnings per share

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

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

1	Cash and Cash Equivalents	As at March 31, 2024	As at March 31, 2023
	Cash on hand	102.15	64.86
	Balance with banks	11,756.89	2,557.25
	Total	**11,859.04**	**2,622.12**

2	Other Bank Balance	As at March 31, 2024	As at March 31, 2023
	In fixed deposit accounts:		
	Deposits given as security against borrowings	14,497.11	9,571.26
	Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	25,373.09	30,100.00
	Other Deposits (i.e., free from any encumbrance)	1,526.61	1,839.41
	Earmarked balances with banks (Refer Note 2.1)	15.58	20.00
	Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(798.86)	(1,120.99)
	Total	**40,613.52**	**40,409.67**

2.1 Earmarked balance with banks represents ₹16 Lakhs (As at March 31, 2023 ₹20 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.

2.2 Deposits includes deposits of ₹25,373.09 Lakhs (P.Y. ₹30,100 Lakhs) given to bank for Overdraft facility. Overdraft utilized of ₹22601.37 Lakhs.

3	Loans	As at March 31, 2024	As at March 31, 2023
	At FVOCI:		
	Secured by Tangible Asset	7,825.95	6,014.53
	Unsecured Loans	205,531.63	154,986.05
	Less: Impairment Loss Allowances	(9,016.42)	(6,681.33)
		204,341.15	**154,319.25**
	Less: Interest Due but not Received on Loans and Advances (Note No.5)	(1,049.98)	(648.50)
	Total	**203,291.17**	**153,670.75**
	(1) Loans In India		
	Public Sector	-	-
	Others	203,291.17	153,670.75
		203,291.17	**153,670.75**
	(2) Loans Outside India	-	-
	Total	**203,291.17**	**153,670.75**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2022	**102,577.87**	**4,723.34**	**4,991.15**	**112,292.36**
New Assets originated*	151,586.91	766.72	563.65	152,917.28
Net transfer between stages				
Transfer from stage 1	(2,951.68)	1,023.97	1,927.71	-
Transfer from stage 2	851.16	(1,408.59)	557.43	-
Transfer from stage 3	2.92	1.94	(4.86)	-
Assets derecognised or collected	97,727.57	1,444.10	780.34	99,952.01
Write - offs	191.38	1,934.18	2,779.98	4,905.55
Gross carrying amount as at March 31, 2023	**154,148.23**	**1,729.09**	**4,474.76**	**160,352.09**
New Assets originated*	191,643.45	2,058.62	1,385.46	195,087.54
Net transfer between stages				
Transfer from stage 1	(6,995.43)	2,488.13	4,507.30	-
Transfer from stage 2	22.04	(288.18)	266.14	-
Transfer from stage 3	1.42	0.39	(1.81)	-
Assets derecognised or collected	135,856.67	728.55	1,836.37	138,421.59
Write - offs	1,362.09	723.68	2,624.67	4,710.44
Gross carrying amount as at March 31, 2024	**201,600.96**	**4,535.82**	**6,170.81**	**212,307.60**

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

3.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2022	**906.39**	**1,455.45**	**4,169.85**	**6,531.70**
Addition During the Year	1,449.38	517.74	2,846.70	4,813.81
Reversal During the Year	(537.06)	(1,334.26)	(2,792.87)	(4,664.18)
ECL Allowances as at March 31, 2023	**1,818.72**	**638.93**	**4,223.68**	**6,681.33**
Addition During the Year	2,103.33	1,394.30	5,565.22	9,062.85
Reversal During the Year	(1,859.13)	(623.27)	(4,245.36)	(6,727.76)
ECL Allowances as at March 31, 2024	**2,062.92**	**1,409.96**	**5,543.55**	**9,016.42**

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 financial year ended March 31, 2024, the Company has written off (net) ₹3954.37 Lakhs. The Total ECL provision of ₹9016.42 Lakhs on Loans and Advances is retained by the company as at March 31, 2024. 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 macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

4	Investments (At Cost)	As at March 31, 2024	As at March 31, 2023
A	**At Fair Value Through Profit & Loss (FVTPL)**		
	In Mutual Funds		
	6,48,523.25 Units (As at 31.03.2023: 9,08,465.69 Unit) SBI Magnum Gilt Fund Regular Growth	388.91	500.86
	6,98,053.50 Units (As at 31.03.2023: 6,98,053.50 Unit) SBI Magnum Medium Duration Fund Regular Growth	322.90	300.00
B	**At Amortised Cost**		
	In Pass through certificates under securitization transactions		
	Nil Units (As at 31-03-23- 1,87,87,291 unit) of HLF Sydney PTC, Face Value of ₹1 Each.	-	174.07
	Nil Units (As at 31-03-23 - 1,13,53,428 Unit) Nabsam Albany PTC , Face Value of ₹1 Each.	-	108.17
	Nil Units (As at 31-3-2023 - 2,15,98,529) of Nimbus 2022 MFI Dunedin, Face Value of ₹1 Each.	-	203.65
	Nil Units (As at 31-03-2023 - 1,87,70,074) of Nimbus 2022 MFI Hamilton, Face Value of ₹1 Each	-	173.75
	Nil Units (As at 31-03-2023 - 1,23,40,361) of NFL EMERALD 2022, Face Value of ₹1 Each.	-	108.74
	Nil Units (As at 31-03-2023 - 1,82,47,719) of MFSL 2022 Lynx , Face Value of ₹1 Each	-	161.11
	Nil Units (As at 31-03-2023 - 1,00,000) of Sheryl 06 2022. Face Value of ₹1 Each	-	0.89
	Nil Units (As at 31-03-2023 - 41,13,949) of Victor July 2022, Face Value ₹1 Each	-	37.78
	Nil Units (As at 31-03-2023 - 61,92,788) of Nimbus 2022 MFI Brampton, Face Value of ₹1 Each	-	56.74
	Nil Units (P.Y. - 1,30,41,310 Units) of Roger July 2022 PTC, Face Value of ₹1 Each.	-	122.17
		711.81	**1,947.93**
	(1) Investment In India	711.81	1,947.93
	(2) Investment outside India	-	-
	Total	**711.81**	**1,947.93**

4.1 Investments represents investments of ₹0 lakhs (P.Y. ₹1147.06 lakhs) given as collateral security against borrowing from Financial Institution.

4.2 For the investment in subsidiary entity, the Company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount.

4.3 As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

4.4 Namra Finance Limited (CIN: U65999GJ2012PLC069596) is wholly owned subsidiary Company. The Arman Financial Services Limited has investment in subsidiary company's 4,93,60,000 (As At 31.03.2023, 4,53,60,000) Equity Shares of ₹10/- each fully paid up

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

5	Other Financial Assets	As at March 31, 2024	As at March 31, 2023
	Interest Due but not Received on Loans and Advances (Note No.3)	1,049.98	648.50
	Interest accrued but not due on Bank Deposits (Note No.2)	798.86	1,120.99
	Deposits	28.90	25.48
	Income Receivable from Direct Assignment	1,928.88	1,543.01
	Advance given for Land Acquisition	1,043.33	-
	Other Advances	11.02	89.34
	Less: Provision on Interest Receivable on Credit Impaired Loans and Advances	(758.63)	(538.72)
	Total	**4,102.33**	**2,888.59**

5.1 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:

ECL Allowances As at beginning of the year	**538.72**	**500.06**
Addition During the Year	691.03	382.02
Reversal During the Year	(471.12)	(343.36)
ECL Allowances As at end of the year	**758.63**	**538.72**

5.2 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.

6	Deferred Tax	As at March 31, 2024	As at March 31, 2023
A	**Deferred Tax Assets on Account of:**		
	Provision for employee benefits that are allowable for tax purpose in the year of payment	65.16	50.26
	Amortisation of Processing Fees Income	561.44	430.58
	Shares issue expenses that are allowable for tax purpose on deferred basis	3.56	5.32
	Fair valuation of financial instruments through Other Comprehensive Income	33.09	226.96
	Impairment on Financial Assets	2,403.10	1,711.68
	Total Deferred Tax Assets	**3,066.34**	**2,424.81**
B	**Deferred Tax Liability on Account of:**		
	Difference in written down value as per Companies Act and Income Tax Act	(16.19)	(13.77)
	Financial liabilities measured at amortised cost	(446.51)	(340.38)
	Interest Receivable on NPA	(190.93)	(135.59)
	Fair valuation of Investment in Mutual Fund	(11.78)	(0.22)
	Direct Assignment Income Receivable -DA	(485.46)	(388.34)
	Total Deferred Tax Liabilities	**(1,150.87)**	**(878.30)**
	Total Asset/(Liability) (Net)	**1,915.47**	**1,546.51**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

6.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	As at March 31, 2023	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2024
Assets				
Provision for employee benefits that are allowable for tax purpose in the year of payment	50.26	13.16	1.73	65.16
Amortisation of Processing Fees Income	430.58	130.86	-	561.44
Shares issue expenses that are allowable for tax purpose on deferred basis	5.32	(1.76)	-	3.56
Impairment on Financial Assets	1,711.68	691.42	-	2,403.10
Fair valuation of financial instruments through Other Comprehensive Income	226.96	-	(193.87)	33.09
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(13.77)	(2.42)	-	(16.19)
Financial liabilities measured at amortised cost	(340.38)	(106.14)	-	(446.51)
Interest Receivable on NPA Assets	(135.59)	(55.35)	-	(190.93)
Fair valuation of Investment in Mutual Fund	(0.22)	(11.56)	-	(11.78)
Direct Assignment Income Receivable -DA	(388.34)	(97.11)	-	(485.46)
Total Asset/(Liability) (Net)	**1,546.51**	**561.10**	**(192.14)**	**1,915.47**

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	29.13	9.40	11.73	50.26
Share Issue Expense that are allowable for tax purpose in the year of payment	279.34	151.25	-	430.58
Impairment on financial asset	1.16	4.17	-	5.32
Financial assets measured at amortised cost	1,698.68	13.00	-	1,711.68
Fair valuation of financial instruments through OCI	76.96	-	150.00	226.96
Provision for CSR	13.06	(13.06)	-	-
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(12.30)	(1.47)	-	(13.77)
Financial liabilities measured at amortised cost	(174.42)	(165.96)	-	(340.38)
Fair valuation of Derivative Contract measured Through FVTPL	(2.04)	2.04	-	-
NPA Interest Receivable	(125.86)	(9.73)	-	(135.59)
Fair valuation of Investment in Mutual Fund	(24.00)	23.78	-	(0.22)
Direct Assignment Income Receivable -DA	(108.69)	(279.65)	-	(388.34)
Total Asset/(Liability) (Net)	**1,651.02**	**(266.24)**	**161.73**	**1,546.51**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2024.

(all Amounts are in ₹ in Lakhs, unless otherwise stated)

7 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	**136.39**	**174.19**	**59.01**	**96.36**	**210.25**	**676.21**	**77.92**	**2.62**	**756.74**	**179.40**
Addition	0.00	20.43	12.69	159.43	37.54	230.10	8.61	-	238.71	-
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	2.62	2.62	-
At March 31, 2023	**136.39**	**194.62**	**71.70**	**255.80**	**247.79**	**906.30**	**86.53**	**-**	**992.83**	**179.40**
Addition	-	61.42	25.90	85.76	60.01	233.09	4.36	-	237.45	76.05
Disposal	-	20.64	14.75	71.72	88.13	195.23	7.35	-	202.58	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At March 31, 2024	**136.39**	**235.41**	**82.84**	**269.84**	**219.67**	**944.16**	**83.54**	**-**	**1,027.70**	**255.44**

Accumulated Depreciation	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	**23.01**	**79.62**	**40.42**	**57.33**	**145.97**	**346.35**	**42.58**	**-**	**388.93**	**57.47**
Change for the year	2.15	14.16	11.22	21.35	28.80	77.68	9.91	-	87.59	27.90
Disposal	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	**25.16**	**93.78**	**51.64**	**78.68**	**174.77**	**424.03**	**52.49**	**-**	**476.52**	**85.37**
Change for the year	2.16	18.14	14.63	30.81	39.16	104.90	8.87	-	113.77	28.59
Disposal	-	18.20	13.84	64.01	84.06	180.12	7.11	-	187.23	-
At March 31, 2024	**27.31**	**93.71**	**52.43**	**45.48**	**129.87**	**348.81**	**54.25**	**-**	**403.06**	**113.96**
Net Carrying Value										
At March 31, 2023	**111.24**	**100.84**	**20.06**	**177.12**	**73.02**	**482.28**	**34.04**	**-**	**516.32**	**94.03**
At March 31, 2024	**109.08**	**141.70**	**30.41**	**224.36**	**89.80**	**595.35**	**29.29**	**-**	**624.64**	**141.48**

(a) **Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

(b) **Contractual Obligations:** Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2024.

(all Amounts are in ₹ in Lakhs, unless otherwise stated)

8	Other Non - Financial Assets	As at March 31, 2024	As at March 31, 2023
	Prepaid Expenses	35.81	12.35
	Balance with Government Authorities	120.68	54.64
	Advances to staff	8.68	13.61
	Advance to Suppliers	81.09	39.90
	Total	**246.27**	**120.49**

9	Trade Payables	As at March 31, 2024	As at March 31, 2023
	Total outstanding dues of micro enterprises and small enterprises	65.68	-
	Total outstanding dues of other than micro enterprises and small enterprises	132.87	152.47
	Total	**198.56**	**152.47**

9.1 Trade Payable ageing schedule:

As on March 31, 2024	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	65.68	-	198.56
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on March 31, 2023	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	65.68	-	198.56
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.

9.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
1	Principal amount payable to suppliers as at year end	-	-
2	Interest due thereon as at year end	-	-
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
4	Amount of delayed payment actually made to suppliers during the year	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
6	Interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

10

Debt Securities (At Amortised Cost)	As at March 31, 2024	As at March 31, 2023
Secured Debenture (Refer note 10.1)		
11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. 300 Unit, P.Y. 300 Unit)	1,000.00	2,000.00
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. 2500 Unit, P.Y. 2500 Unit)	2,500.00	2,500.00
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. 200 Unit, P.Y. 200 Unit)	2,000.00	2,000.00
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-
8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.75 Lakh Each (C.Y. 4,900 Unit, P.Y. Nil)	3,675.00	-
11.95% Secured, Redeemable, Non Convertible Debenture of ₹81,818 Each (4,000 Unit as at 31.03.2024, Nil Unit as at 31.03.2023)	3,272.72	-
11.20% Secured, Redeemable, Non Convertible Debenture of ₹500 Each (1,000 Each as at 31.03.2023) (2,22,654 Unit as at 31.03.2024, 2,22,654 Unit as at 31.03.2023)	1,113.27	2,226.54
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (Nil Unit as at 31.03.2024, 34,550 Unit as at 31.03.2023)	-	3,455.00
12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (Nil Unit as at 31.03.2024, 48,750 Unit as at 31.03.2023)	-	4,875.00
11.60% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (40,280 Unit as at 31.03.2024, Nil Unit as at 31.03.2023)	4,028.00	-
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1 lakh Each (4565 Unit as at 31.03.2024, Nil Unit as at 31.03.2023)	4,565.00	-
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (68 Unit as at 31.03.2024, 368 Unit as at 31.03.2023)	680.00	3,680.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Debt Securities (At Amortised Cost)	As at March 31, 2024	As at March 31, 2023
Unsecured Debenture (Refer note 18.2)		
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	-	1,047.33
Less: Unamortised borrowing costs	(457.54)	(335.88)
Total Debt Securities	30,237.05	24,335.49
Debt Securities in India	30,237.05	24,335.49
Debt Securities Outside India	-	-
Total	**30,237.05**	**24,335.49**

10.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:

Particular	As at March 31, 2024	As at March 31, 2023	Terms of Redemption / Repayment	Security
11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. 300 Unit, P.Y. 300 Unit)	1,000.00	2,000.00	33.33% on 31-12-2022, 33.33% on 31-12-2023 & Remaining 33.34% Payment at the end of 34 Months From 23-03-2022	Secured Under Hypothecation of Specific Assets Portfolio
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	-	1,047.33	24% on 30-06-2023, 25% on 30-09-2023, 26% on 31-12-2023 & Remaining 25% Payment at the end of 18 Months From 28-09-2022	-
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. 200 Unit, P.Y. 200 Unit)	2,000.00	2,000.00	100% on 04-04-2024 and Remaining Bullet Payment at the end of 18 Months From 04-10-2022	Secured Under Hypothecation of Specific Assets Portfolio
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50	99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. 2500 Unit, P.Y. 2500 Unit)	2,500.00	2,500.00	100% on 27-07-2024 and Remaining Bullet Payment at the end of 18 Months From 24-01-2023	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.75 Lakh Each (C.Y. 4,900 Unit, P.Y. Nil)	3,675.00	-	Repayable in 8 quarterly installments starting from 19-10-2023	Secured Under Hypothecation of Specific Assets Portfolio

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particular	As at March 31, 2024	As at March 31, 2023	Terms of Redemption / Repayment	Security
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (368 Unit as at 31.03.2023, Nil Unit as at 31.03.22)	680.00	3,680.00	Bullet Payment at the end of 24 Months From 06 October 2022	Secured Under Hypothecation of Specific Asset Portfolio
34,550, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	-	3,455.00	99.99% on 13 May 2023 and Remaining Bullet Payment at the end of 24 Months From 13 May 2023	Secured Under Hypothecation of Specific Asset Portfolio
48,750, 12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	-	4,875.00	99.99% on 12 November 2023 and Remaining Bullet Payment at the end of 60 Months From 12 November 2020	Secured Under Hypothecation of Specific Asset Portfolio
2,22,654, 11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000 Each	1,113.27	2,226.54	Bullet Payment at the end of 24 Months From 11 March 2022	Secured Under Hypothecation of Specific Asset Portfolio
4,028, 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1,00,000 Each	4,028.00	-	99.99% of the Principal amount will be repaid on 26 June 2026 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 26th June 2028	Secured Under Hypothecation of Specific Asset Portfolio
45,650, 11.60% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	4,565.00	-	99.99% of the Principal amount will be repaid on 08 May 2025 and 00.01% of the Principal amount will be repaid on Maturity Date i.e. 13th June 2027	Secured Under Hypothecation of Specific Asset Portfolio
4,000, 11.95% Secured, Redeemable, Non Convertible Debenture of ₹1,00,000 Each	3,272.72	-	Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	**30,694.59**	**24,671.37**		

11

Borrowings (at Amortized Cost)	As at March 31, 2024	As at March 31, 2023
Term Loans		
Secured		
From Banks	72,622.65	54,655.01
From Financial Institutions	45,837.74	58,541.14
Less: Unamortised borrowing costs	(1,316.59)	(1,016.55)
Total	**117,143.80**	**112,179.60**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Borrowings (at Amortized Cost)	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks	10.54	723.51
Overdraft from banks - Secured against Fixed Deposit	22,601.37	16,844.05
Total Borrowings	**139,755.71**	**129,747.16**
Borrowings in India	139,755.71	129,747.16
Borrowings Outside India	-	-
Total	**139,755.71**	**129,747.16**

11.1 Security:

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance".

11.2 Interest:

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 10% to 15.00% p.a.

11.3 The Company has not defaulted in repayment of borrowings and interest.

11.4 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

11.5 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Borrowings (Other than Debt Securities)				
Term Loan From Bank - 1	-	211.98	Repayable in 35 Monthly installments Starting From 31st October 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 2	-	363.64	Repayable in 36 Monthly installments from 31 Mar 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 3	-	27.63	Repayable in 36 Monthly installments starting From 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 4	495.07	1,499.08	Repayable in 26 Monthly installments starting From 31st August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 5	331.75	1,085.48	Repayable in 37 Monthly installments starting From 20 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Bank - 6	151.51	514.60	Repayable in 36 Monthly installments from 08 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 7	151.51	513.23	Repayable in 35 Monthly installments starting From 7 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 8	447.90	1,359.37	Repayable in 36 Monthly installments from 28 Sep 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 9	416.67	1,250.01	Repayable in 36 Monthly installments starting From 23 September 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 10	432.79	1,187.50	Repayable in 36 Monthly installments from 29 Nov 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 11	-	545.45	Repayable in 24 Monthly installments from 30 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 12	-	272.73	Repayable in 24 Monthly installments from 30 Mar 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 13	-	2,227.27	Repayable in 24 Monthly installments starting From 29th Nov'21 AND 15th Dec'21	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 14	-	1,067.45	Repayable in 18 Monthly installments from 16 Mar 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank - 15	766.86	1,395.50	Repayable in 36 Monthly installments starting From 13 February 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 16	1,497.11	2,697.87	Repayable in 30 Monthly installments from 17 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 17	993.16	1,999.97	Repayable in 26 Monthly installments starting From 21st February 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Bank - 18	298.27	452.06	Repayable in 36 Monthly installments starting From 30 November 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 19	1,090.95	1,818.19	Repayable in 36 Monthly installments from 29 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 20	933.33	1,866.67	Repayable in 30 Monthly installments starting From 30 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 21	555.56	1,000.00	Repayable in 28 Monthly installments starting From 28 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 22	666.67	1,200.00	Repayable in 24 Monthly installments from 20 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 23	95.24	1,238.10	Repayable in 24 Monthly installments starting From 30 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 24	349.89	550.00	Repayable in 36 Monthly installments from 18 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 25	347.70	550.00	Repayable in 36 Monthly installments from 18 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 26	366.66	566.58	Repayable in 36 Monthly installments starting From 18 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 27	248.19	999.69	Repayable in 27 Monthly installments from 30 Apr 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 28	4,000.00	6,400.00	Repayable in 36 Monthly installments starting From 13 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 29	750.00	1,749.91	Repayable in 24 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Bank - 30	1,394.83	1,999.41	Repayable in 36 Monthly installments starting From 22 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 31	416.67	1,416.67	Repayable in 24 Monthly installments from 24 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 32	374.99	1,125.00	Repayable in 24 Monthly installments from 27 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 33	1,133.33	1,933.33	Repayable in 36 Monthly installments starting From 30 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 34	-	1,925.74	Repayable in 18 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 35	-	3,094.03	Repayable in 18 Monthly installments from 07 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 36	11.87	2,701.40	Repayable in 18 Monthly installments from 28 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 37	88.12	111.66	Repayable in 60 Monthly installments starting From 24 Sep 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank - 38	-	218.26	Repayable in Monthly installments from 26 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 39	-	1,979.29	Repayable in Monthly installments from 01 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 40	2,996.36	-	Repayable in 24 Monthly installments starting From 18 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 41	1,125.00	-	Repayable in 36 Monthly installments starting From 31 May 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Bank - 42	1,712.41	-	Repayable in 31 Monthly installments starting From 24 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 43	1,607.80	-	Repayable in 36 Monthly installments starting From 01 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 44	2,998.26	-	Repayable in 26 Monthly installments starting From 18 Feb 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 45	1,000.00	-	Repayable in 36 Monthly installments starting From 14 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 46	2,291.67	-	Repayable in 36 Monthly installments starting From 30 October 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 47	466.67	-	Repayable in 24 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 48	2,727.27	-	Repayable in 24 Monthly installments starting From 29 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 49	3,500.00	-	Repayable in 24 Monthly installments starting From 31 Jan 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 50	1,100.00	-	Repayable in 24 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 51	3,499.97	-	Repayable in 28 Monthly installments starting From 29 Jan 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 52	1,875.00	-	Repayable in 24 Monthly installments starting From 7 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Bank - 53	1,500.00	-	Repayable in 27 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 54	2,000.00	-	Repayable in 36 Monthly installments starting From 27 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 55	1,499.93	-	Repayable in 36 Monthly installments starting From 29 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 56	541.67	-	Repayable in 24 Monthly installments starting From 12 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 57	375.00	-	Repayable in 24 Monthly installments starting From 22 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 58	6,178.00	-	Repayable in 36 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 59	2,000.00	-	Repayable in 27 Monthly installments starting From 19 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 60	833.32	-	Repayable in 36 Monthly installments starting From 4 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 61	1,666.67	-	Repayable in 24 Monthly installments starting From 1 Dec 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 62	3,939.37	-	Repayable in 35 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 63	1,378.64	-	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Bank - 64	2,619.04	-	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 65	1,450.69	-	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 66	-	285.71	Repayable in 24 monthly installments starting from 10 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 67	600.00	1,254.55	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Term Loan From Bank - 68	333.33	-	Repayable in 24 monthly installments starting from 07 June 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Total Term Loans From Banks	**72,622.64**	**54,655.01**		
Term Loan From Financial Institution - 1	375.00	875.00	Repayable in 36 Monthly installments starting From 29 Dec 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 2	-	139.91	Repayable in 60 Months Half Yearly installments Starting From 31 January 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 3	9.72	126.39	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 4	9.72	126.39	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 5	9.72	126.39	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 6	9.72	126.39	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 7	4.17	54.17	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 8	4.17	54.17	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 9	4.17	54.17	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 10	4.17	54.17	Repayable in 36 Monthly installments Starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 11	-	0.46	Repayable in 20 Monthly installments Starting From 13 September 2021 (pay in date)	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 12	-	450.00	Repayable in 2 bullet payment over 18 Monthly installments on 31 October 22 & 30 April 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 13	700.00	1,900.00	Repayable in 36 Monthly installments Starting From 22 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 14	-	624.85	Repayable in 36 Monthly installments Starting From 10th May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 15	58.33	175.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 16	25.00	75.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 17	58.33	175.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 18	25.00	75.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 19	58.33	175.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 20	25.00	75.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 21	58.33	175.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 22	25.00	75.00	Repayable in 36 Monthly installments Starting From 25 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 23	-	175.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 24	-	75.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 25	-	175.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 26	-	75.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 27	-	175.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 28	-	75.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 29	-	175.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 30	-	75.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 31	-	175.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 32	-	75.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 33	-	175.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 34	-	75.00	Repayable in 24 Monthly installments Starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 35	-	1,021.44	Repayable in 30 Monthly installments Starting From 06 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 36	-	1,107.36	Repayable in 30 Monthly installments Starting From 05 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 37	-	285.71	Repayable in 24 Monthly installments Starting From 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 38	-	285.71	Repayable in 24 Monthly installments Starting From 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 39	-	255.43	Repayable in 24 Monthly installments Starting From 31st October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 40	-	397.70	Repayable in 15 months Monthly installments Starting From 15 April 2022-Pay in date	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 41	-	367.73	Repayable in 17 Monthly installments Starting From 24 April 2022-Pay in date	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 42	71.43	357.14	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 43	71.43	357.14	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 44	119.05	404.76	Repayable in 24 Monthly installments Starting From 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 45	95.24	323.81	Repayable in 24 Monthly installments Starting From 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 46	666.67	1,200.00	Repayable in 27 Monthly installments Starting From 01 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 47	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 48	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 49	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 50	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 51	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 52	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 53	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 54	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 55	37.50	112.50	Repayable in 24 Monthly installments from 21 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 56	37.50	112.50	Repayable in 24 Monthly installments from 21 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 57	37.50	112.50	Repayable in 24 Monthly installments from 21 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 58	87.50	262.50	Repayable in 24 Monthly installments from 21 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 59	87.50	262.50	Repayable in 24 Monthly installments from 21 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 60	87.50	262.50	Repayable in 24 Monthly installments from 21 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 61	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 62	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 63	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 64	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 65	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 66	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 67	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 68	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 69	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 70	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 71	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 72	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 73	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 74	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 75	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 76	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 77	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 78	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 79	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 80	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 81	375.00	875.00	Repayable in 24 Monthly installments starting From 29th Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 82	465.61	1,313.78	Repayable in 24 Monthly installments from 22 October 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 83	549.49	1,149.98	Repayable in 24 Monthly installments starting From 21 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 84	346.24	1,102.56	Repayable in 25 Monthly installments starting From 29 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 85	-	1,357.29	Repayable in 20 Monthly installments starting From 8 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 86	-	1,047.34	Repayable in 18 Monthly installments from 15 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 87	-	2,021.67	Repayable in 18 Monthly installments from 08 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 88	-	741.15	Repayable in 18 Monthly installments from 12 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 89	-	992.76	Repayable in 18 Monthly installments from 19 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 90	1,601.87	3,000.00	Repayable in 24 Monthly installments starting From 23 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 91	1,619.85	4,074.15	Repayable in 24 Monthly installments starting From 26 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 92	1,062.51	2,000.00	Repayable in 24 Monthly installments starting From 29 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 93	532.90	999.48	Repayable in 24 Monthly installments from 22 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 94	1,666.67	2,500.00	Repayable in 36 Monthly installments starting From 28 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 95	1,010.74	2,219.43	Repayable in 24 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 96	800.00	1,600.00	Repayable in 27 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 97	185.97	695.00	Repayable in 24 Monthly installments starting From 22 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 98		1,024.89	Bullet repayment at end of the transaction	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 99	1,500.00	-	Repayable in 24 Monthly installments starting From 1 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 100	2,479.17	-	Repayable in 24 Monthly installments starting From 1 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 101	588.08	-	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 102	333.33	-	Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 103	333.33	-	Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 104	1,046.99	-	Repayable in 15 Monthly installments starting From 1 Jul 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 105	618.36	-	Repayable in 16 Monthly installments starting From 1 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 106	1,468.26	-	Repayable in 25 Monthly installments starting From 14 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 107	1,481.48	-	Repayable in 27 Monthly installments starting From 5 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 108	2,916.67	-	Repayable in 25 Monthly installments starting From 27 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 109	4,833.34	-	Repayable in 36 Monthly installments starting From 10 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 110	3,000.00	-	Repayable in 35 Monthly installments starting From 27 October 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 111	3,000.00	-	Repayable in 35 Monthly installments starting From 23 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 112	-	145.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 113	-	145.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 114	-	408.29	Repayable in 30 monthly installments starting from 06 August 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 115	50.70	477.08	Repayable in 30 monthly installments starting from 30 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 116	-	125.00	Repayable in 24 monthly installments starting from 04 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 117	-	125.00	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 118	-	130.43	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 119	-	285.71	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 120	-	285.71	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 121	126.39	243.06	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 122	54.17	104.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 123	126.39	243.06	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 124	54.17	104.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 125	-	1,259.54	Repayable in 18 monthly installments starting from 01 August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 126	142.86	428.57	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 127	142.86	428.57	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 128	487.50	900.00	Repayable in 24 monthly installments starting from 28 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 129	850.67	1,200.00	Repayable in 36 monthly installments starting from 31 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 130	827.16	2,293.58	Repayable in 21 monthly installments starting from 16 March 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 131	870.83	-	Repayable in 24 monthly installments starting from 01 July 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 132	2,272.72	-	Repayable in 36 monthly installments starting from 27 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 133	430.56	-	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 134	430.56	-	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Term Loan From Financial Institution	**45,837.74**	**58,541.14**		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	-	90.32	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and Bank Deposit.
Cash Credit Facility From Bank 2	10.54	633.19	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Overdraft Facility on Fixed Deposit 1	-	2,301.47	-	Secured by a first and exclusive charge on specific Fixed Deposits

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Overdraft Facility on Fixed Deposit 2	7,116.76	3,978.82	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 3	2,727.73	2,851.90	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 4	-	792.23	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 5	2,182.80	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 6	4,666.79	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 7	-	370.94	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 8	-	1,350.03	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 9	1,782.37	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 10	62.57	-	-	Secured by a first and exclusive charge Bank Deposits
Overdraft Facility on Fixed Deposit 11	2,515.96	2,832.66	-	Secured by a first and exclusive charge Bank Deposits
Overdraft Facility on Fixed Deposit 12	1,546.39	2,365.99	-	Secured by a first and exclusive charge Bank Deposits
Total Loans repayable on demand from banks	**22,611.91**	**17,567.56**		

12	Subordinated Liabilities	As at March 31, 2024	As at March 31, 2023
	Liability component of Optionally Convertible Redemption Preference Shares (Refer Note 18.2)		
	10% OCRPS issued at face value at ₹10 each	-	3,858.45
	Unsecured:		
	15%, Unsecured Subordinated Term Loan in India	2,500.00	2,500.00
	Unsecured Subordinated Debt outside India	-	-
	Total	**2,500.00**	**6,358.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

12.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities:

Sr No	Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
1	Subordinated Term Loan From Bank 1	500.00	500.00	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured
2	Subordinated Term Loan From Bank 2	1,000.00	1,000.00	Single Bullet Payment at the end of 84 Months from 23rd June, 2017	Unsecured
3	Subordinated Term Loan From Bank 3	1,000.00	1,000.00	50% Payment at the end of 66 Months from 30th Nov,2021 & remaining 50% Payment at the end of 72 Months from 30th Nov,2021	Unsecured

13	Other Financial Liabilities	As at March 31, 2024	As at March 31, 2023
	Interest accrued but not due on Borrowings	1,866.48	1,267.65
	Interest Payable on CCD	-	180.65
	Payable to Employees	86.03	560.25
	Security deposits received from Borrowers	28.06	27.92
	Micro Insurance Payable	680.40	1,195.17
	Hospicash Insurance Payable	498.54	476.88
	Other Insurance Payable	116.33	87.92
	CSR expenses payable	8.26	8.26
	Other Expenses Payable	106.37	71.81
	Unpaid dividend	7.32	11.74
	Payable toward assignment and transactions	4,570.28	1,639.56
	Lease Liability - Right of Use Assets	157.67	110.99
	Total	**8,125.74**	**5,638.81**

13.1 Unpaid dividend outstanding as on March 31, 2024 is not due for transfer to investor education and protection fund by the Company.

14	Provisions	As at March 31, 2024	As at March 31, 2023
	Provisions for employee benefits - Gratuity	258.88	199.71
	Total	**258.88**	**199.71**

15	Current Tax (Net)	As at March 31, 2024	As at March 31, 2023
	Provision for Tax	5,931.32	4,904.50
	Less: Advance Tax and TDS	(5,208.71)	(4,444.95)
	Total	**722.60**	**459.56**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

16	Other Non Financial Liabilities	As at March 31, 2024	As at March 31, 2023
	Other statutory dues	94.96	97.98
	TDS payable	343.65	257.72
	Total	**438.61**	**355.70**

17	Equity Share Capital	As at March 31, 2024	As at March 31, 2023
	Authorized Shares		
	1,40,00,000 Equity Shares of ₹10/- each (As at March 31, 2023: 1,40,00,000 Equity Shares of ₹10/- each)	1,400.00	1,400.00
	Total	**1,400.00**	**1,400.00**
	Issued, subscribed and fully paid-up shares:		
	1,04,76,774 Equity Shares of (As at March 31, 2023: 84,92,334 Equity Shares) of ₹10/- each fully paid up (Ordinary)	1,047.68	849.23
	Total	**1,047.68**	**849.23**

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2024 & March 31, 2023 is set out below:

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹In Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	8,492,334	849.23	8,491,584	849.16
Issued during the year	1,984,440	198.44	750	0.08
Outstanding at the end of the year	10,476,774	1,047.68	8,492,334	849.23

17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2024		March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	427,937	4.08%	427,937	5.04%
Ritaben Patel	436,089	4.16%	436,089	5.14%
Elevation Capital V Limited	1,448,740	13.83%	1,890,417	22.26%
Namra Holdings & Consultancy Services LLP	948,308	9.05%	948,308	11.17%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

17.3 Details of Promotors Shareholding of ordinary shares of the company are as follows:

Promotor Name	March 31, 2024		March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	427,937	4.08%	427,937	5.04%
Jayendrabhai Patel HUF	196,000	1.87%	196,000	2.31%
Amit Rajnikant Mankiwala	10,000	0.10%	11,972	0.14%
Ritaben Patel	436,089	4.16%	436,089	5.14%
Himani Amit Mankiwala	6,479	0.06%	8,979	0.11%
Aalok Jayendrabhai Patel	247,809	2.37%	247,809	2.92%
Maulik Amit Mankiwala	800	0.01%	800	0.01%
Sajni Aalok Patel	41,316	0.39%	41,316	0.49%
Namra Holdings and Consultancy Services LLP	948,308	9.05%	948,308	11.17%

17.4 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 38.

17.5 Terms / rights attached to equity shares

(i) In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

(ii) In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

18	Other Equity (Refer Note 18.1)	As at March 31, 2024	As at March 31, 2023
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	162.35	151.35
	Add: Transfer from statement of profit and loss	11.00	11.00
	Closing Balance	**173.35**	**162.35**
	ii. Special Reserve u/s 45-IC of the RBI Act, 1934		
	Balance as per last financial statement	5,088.30	3,176.30
	Add: Transfer from statement of profit and loss	3,525.00	1,912.00
	Closing Balance	**8,613.30**	**5,088.30**
	iii. Securities Premium		
	Balance as per last financial statement	6,903.37	6,897.96
	Add: Share Premium on shares issued during the year	33,021.84	5.41
	Less: Share Issue Expenses	699.80	-
	Closing Balance	**39,225.40**	**6,903.37**
	iv. Share Based Payment Reserve		
	Balance as per last financial statements	23.75	12.10
	Add/(Less): Stock option expenditure for the year	661.43	16.76
	Less: amount transferred towards option expired unexercised	19.19	-
	Less: Reversal of ESOP reserve on exercised option of stock option	8.72	5.11
	Closing Balance	**657.27**	**23.75**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Other Equity (Refer Note 18.1)	As at March 31, 2024	As at March 31, 2023
v. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	17,869.78	10,411.66
Add : Profit for the year	17,357.28	9,381.13
Less: Appropriations		
Amount transfer to General Reserve	(11.00)	(11.00)
Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(3,525.00)	(1,912.00)
Closing Balance	**31,691.06**	**17,869.78**
B. Other Comprehensive Income		
Balance as per last financial statement	(710.79)	(229.92)
Additions during the year	571.29	(480.87)
Closing Balance	**(139.50)**	**(710.79)**
C. Equity Component of Financial Instruments		
i. Equity Component of Compulsory Convertible Debentures		
Balance as at the beginning of the period	6,146.73	-
Transactions with owners in their capacity as owners	-	6,146.73
Transferred to liability component	(7.41)	-
Transferred to Security Premium	(6,139.32)	-
Closing Balance	**-**	**6,146.73**
ii. Equity component of Optionally Convertible Redeemable Preference shares		
Balance as at the beginning of the period	236.33	-
Transactions with owners in their capacity as owners	-	236.33
Transferred to Security Premium	(236.33)	-
Closing Balance	**-**	**236.33**
Total	**80,220.90**	**35,719.82**

18.1 NATURE AND PURPOSE OF RESERVE

1 **Reserve u/s 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):**
Reserve u/s 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 **Securities premium:**
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act

3 **Surplus in the statement of profit and loss:**
Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 **FVOCI - loans and advances:**
The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 **FVOCI - Remeasurement of the defined benefit liabilities:**
Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

6 **General reserve:**
The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 **Share Based Payment Reserve:**
The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

18.2 Disclosures in relation to Compound Instruments:

1 **Term of conversion of Compulsory Convertible Debenture**
The CCDs shall be converted into equity shares on the earlier of following events:

(i) the Investor electing to convert the CCDs into equity shares by issuing a conversion notice to the Company; and

(ii) the date of expiry of 18 (eighteen) months from the date of allotment of CCDs (28th September 2022).

It shall be convertible into equity shares at a conversion price of ₹1,230/- per share at a price being not lower than the minimum price calculated under the SEBI Regulations.

2 **Disclosures for Optionally Convertible Redeemable Preference shares**

	Preference Shares	As at March 31, 2024	As at March 31, 2023
A	**Authorized Shares**		
	10,00,000 Preference Shares of ₹10/- each (As at March 31, 2023: 10,00,000 Preference Shares of ₹10/- each)	100.00	100.00
	Total	**100.00**	**100.00**
B	**Issued, subscribed and fully paid-up shares:**		
	Nil Preference Shares of ₹10/- each (As at March 31, 2023: 3,10,972 Preference Shares of ₹10/- each)	-	31.10
	Total	**-**	**31.10**

C **The reconciliation of no. of preference shares outstanding & amount of preference share capital as at March 31, 2023 & March 31, 2022 is set out below:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Ordinary Preference Shares:				
Outstanding at the beginning of the year	310,972	31.10	Nil	-
Issued during the year	Nil	-	310,972	31.10
Converted during the year	310,972	31.10	Nil	-
Outstanding at the end of the year	**Nil**	**-**	**310,972**	**31.10**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

D Details of shareholders holding more than 5 % of preference shares of the Company are as follows:

Class of shares / Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
RRM Enterprises Private Limited	-	0.00%	81,300	26.14%
Sandeep Kapadia	-	0.00%	40,650	13.07%
Amlan Hasmukh Shah	-	0.00%	40,650	13.07%
Rajiv Narpatmal Bhandari	-	0.00%	24,390	7.84%
Parth Rajiv Desai	-	0.00%	22,357	7.19%
Rajiv Arvind Desai	-	0.00%	20,325	6.54%
Sudha J Zaveri	-	0.00%	16,260	5.23%

E Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

Particulars	March 31, 2024	March 31, 2023
Equity shares reserved for issue under option	Nil	310,972

F Terms / rights attached to preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as prescribed under the provisions of the Companies Act, 2013 and/or the Articles. The preference share shall carry a cumulative right of dividend at a fixed amount of ₹123/- (Indian Rupees One Hundred and Twenty Three only) per annum out of the profits of the Company and the payment of such dividend shall have priority over any dividend rights of the equity shares of the Company. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. The OCRPS shall not be entitled to participate in the surplus funds, surplus assets and profits of the Company on winding up, which may remain after the entire capital has been repaid.

G Terms of conversion attached to Optionally Convertible Redeemable Preference shares

The OCRPS, upon issue, will be convertible into equivalent number of equity shares of ₹10/- (Indian Rupees Ten only) at the option of the Proposed Allottee within a period not exceeding 18 (eighteen) months from the Allotment Date (i.e., 28th September 2022). The right to seek conversion of the OCRPS can be exercised by the Proposed Allottee, at its discretion, in respect of all or some OCRPS held by it.

H Terms of redemption of preference shares

In the event the Allottee chooses not to convert the OCRPS within 18 (eighteen) months from the Allotment Date, such OCRPS will be redeemed in the following manner:

(i) At the option of the Proposed Allottee, all or some of the OCRPS can be redeemed, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 18 (eighteen) months from the Allotment Date.

(ii) If the option under (i) has not been exercised by the Proposed Allottee, then, all or some of the OCRPS can be redeemed at the option of the Proposed Allottee, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 24 (twenty four) months from the Allotment Date.

(iii) If the option under (i) or (ii) has not been exercised by the Proposed Allottee, then, all but not less than all of the OCRPS shall be compulsorily redeemed by the Company, within a period of 30 (thirty) days from the expiry of 36 (thirty six) months from the Allotment Date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

19 Interest Income (Amortised Cost)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest on Loans	56,322.91	-	37,213.00	-
Interest on Deposits as Security	-	2,985.27	-	1,459.03
Total	**56,322.91**	**2,985.27**	**37,213.00**	**1,459.03**
Total Interest		**59,308.18**		**38,672.03**

20 Gain on Assignment of Financial Assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on Assignment of Assets (Net of Expense)	3,690.30	1,877.61
Total	**3,690.30**	**1,877.61**

21 Fees and Commission Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loan Processing fees Income	1,803.85	1,187.79
Service Fees and facilitation Charges	413.20	318.27
Other Fees and Charges	113.24	134.07
Total Interest	**2,330.29**	**1,640.12**

22 Net Gain on Fair Value Changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from Investment in Mutual Fund at FVTPL	46.81	0.86
Net Gain/(Loss) on fair value of derivative contracts measured at FVTPL	-	(8.12)
Profit on Sale of Investment	770.07	207.62
Total Interest	**816.88**	**200.36**

23 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on Derecognition of PPE & Intangible Assets	7.11	-
Other Incomes	-	0.34
Total Interest	**7.11**	**0.34**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

24 Finance Costs (on financial liabilities measured at amortized cost)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Borrowings	15,685.97	11,268.35
Interest on Debt Securities	3,941.01	2,878.87
Interest on Subordinated Liabilities	376.34	375.00
Other interest expense	4,745.36	1,549.61
Other Borrowing Costs	1,790.66	1,117.78
Interest Expense on Lease Liability	8.15	10.01
Total	**26,547.49**	**17,199.63**

25 Impairment of Loan Assets (on financial assets measured at FVOCI)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bad debts written off (Net)	3,954.37	4,284.92
Expected Credit Loss (Net)	2,555.00	188.30
Total	**6,509.36**	**4,473.22**

25.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

26 Employee Benefit Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	6,373.76	4,901.74
Contribution to provident and other funds	497.76	362.41
Gratuity	73.30	45.58
Staff welfare expenses	214.67	155.56
Total	**7,159.48**	**5,465.29**

26.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹497.76 lakhs (March 31, 2023: ₹362.41 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense

b) Defined benefit plan:

Financial assets not measured at fair value:

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan required under Ind AS 19 is an under:

I

Reconciliation of opening and closing balances of defined benefit obligation	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Defined Benefit Obligation	199.73	117.44
Transfer in/(out) obligation	-	-
Current service cost	60.84	39.43
Interest cost	13.19	6.96
Components of actuarial gain/losses on obligations:	-	-
Due to Change in financial assumptions	1.80	(8.64)
Due to change in demographic assumption	-	-
Due to experience adjustments	4.35	54.19
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(21.01)	(9.64)
Closing Defined Benefit Obligation	**258.91**	**199.73**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

II	Reconciliation of plan assets	For the year ended March 31, 2024	For the year ended March 31, 2023
	Opening value of plan assets	0.02	1.69
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.73	0.81
	Return on plan assets excluding amounts included in interest income	(0.73)	(1.06)
	Assets Distributed on settlements	-	-
	Contribution by the company	-	-
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	-	(1.43)
	Fair value of plan assets at the end of the year	**0.02**	**0.02**

III	Reconciliation of net defined benefit liability	For the year ended March 31, 2024	For the year ended March 31, 2023
	Net opening provision in books of accounts	199.71	115.74
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense	73.30	45.58
	Amounts recognized in Other Comprehensive Income	6.88	46.60
		279.89	**207.93**
	Benefits paid by the Company	(21.01)	(8.22)
	Contributions to plan assets	-	-
	Closing provision in books of accounts	**258.88**	**199.71**

IV	Composition of plan assets	For the year ended March 31, 2024	For the year ended March 31, 2023
	Government of India Securities	0%	0%
	High quality corporate bonds	0%	0%
	Equity shares of listed companies	0%	0%
	Property	0%	0%
	Policy of Insurance	100%	100%
	Total	**100%**	**100%**

V	Expense recognised during the year	For the year ended March 31, 2024	For the year ended March 31, 2023
	Current service cost	60.84	39.43
	Interest cost	12.46	6.15
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	**73.30**	**45.58**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

VI	Other comprehensive income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Components of actuarial gains/losses on obligations:		
	Due to change in financial assumptions	1.80	(8.64)
	Due to change in demographic assumption	-	-
	Due to experience adjustments	4.35	54.19
	Return of plan assets excluding amounts included in interest income	0.73	1.06
	Components of defined benefits cost recognised in other comprehensive income	**6.88**	**46.60**

VII	Principal actuarial assumptions	For the year ended March 31, 2024	For the year ended March 31, 2023
	Discount rate (per annum)	7.15%	7.30%
	Rate of return on plan assets (per annum)	7.36%	8.00%
	Annual increase in salary cost	6.00%	6.00%
	Withdrawal rates per annum		
	25 and below	25%	25%
	26 to 35	25%	25%
	36 to 45	20%	20%
	46 to 55	10%	10%
	56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

VIII Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters.Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	265.10	253.02	204.43	195.26
(% change compared to base due to sensitivity	2.39%	-2.27%	2.35%	-2.24%
Salary growth rate (- / + 0.5%)	252.97	265.11	195.20	204.44
(% change compared to base due to sensitivity	-2.30%	2.40%	-2.27%	2.35%
Withdrawal rate (W.R.) (W.R.*x 90% / W.R.x 110%)	263.78	254.16	203.09	196.39
(% change compared to base due to sensitivity	1.88%	-1.84%	1.68%	-1.67%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

IX Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

X Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.92 years.

Years	Cash flows (₹ Lakhs)	Distributions (%)
1st Following year	50.37	12.84%
2nd Following year	36.32	9.26%
3rd Following year	34.96	8.91%
4th Following year	34.23	8.73%
5th Following year	33.46	8.53%
Sum of years 6 to 10	107.02	27.28%

The future accrual is not considered in arriving at the above cash-flows.

XI The expected contribution for the next year is ₹84.72 lakhs

27 Depreciation and Amortisation

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, Plant & Equipment	104.90	77.68
Amortization of Right of use Asset	28.59	27.90
Amortisation of Intangible Asset	8.87	9.91
Total	**142.37**	**115.49**

28 Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity & fuel charges	69.58	58.02
Repairs to Building	19.63	41.12
Insurance	30.31	25.32
Collection Expense	70.09	50.55
Rent	396.41	355.96
Rates & taxes	60.12	45.42
Bank Charges	33.01	26.04
Stationery & printing	71.04	102.47
Advertisement expenses	1.05	0.87
Communication	31.97	63.64

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Traveling & conveyance expenses	1,176.31	1,004.76
Professional fees	553.34	440.76
Auditor's Remuneration		
Audit fees	15.72	15.72
For certification	5.16	3.60
For Others	-	0.32
	20.88	**19.63**
Corporate social responsibility expenditure (Refer Note 32)	121.49	108.15
Director sitting fees	8.28	7.93
Marketing & incentive expenses	118.37	88.88
General charges (including security charges & membership fees etc.)	203.22	201.94
Total	**2,985.12**	**2,641.47**

29 Tax Expenses

The Components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax	5,974.30	2,832.90
Adjustment in respect of current tax of prior years	38.47	15.10
Deferred tax	(561.10)	266.24
Total Tax Expense	**5,451.67**	**3,114.24**
Total tax charge		
Current Tax	6,012.77	2,848.00
Deferred Tax	(561.10)	266.24

29.1 Reconciliation of the total tax charge

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax expense	22,808.95	12,495.37
Income tax rate %	25.168%	25.168%
Computed tax expense	**5,740.56**	**3,144.83**
Tax effect of:		
Exempted Items	(861.47)	(419.34)
Additional deduction	(626.44)	(265.62)
Non Deductible items	326.53	178.15
Adjustment on Account of Change in Tax Rate	(1.06)	1.69
Others	873.55	474.53

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tax expense Recognised in the Statement of Profit and Loss	5,451.67	3,114.24
Difference	0.00	(0.00)
Effective Tax Rate	23.90%	24.92%

30 Earning Per Share:

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Numerator used for calculating Basic Earning per share (PAT)	In ₹	17,357.28	9,381.13
Dilutive impact of Employee Share Options Scheme	In ₹	-	-
Dilutive impact of Compulsorily Convertible Debentures	In ₹	-	73.54
Dilutive impact of Optionally Convertible Redeemable Preference Shares	In ₹	-	-
Numerator used for calculating Diluted Earning per share (PAT)	In ₹	17,357.28	9,454.67
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	8,900,944	8,492,237
Effect of dilution:			
Dilutive impact of Employee Share Options Scheme	Shares	103,641	4,038
Dilutive impact of Compulsorily Convertible Debentures	Shares	-	316,471
Dilutive impact of Optionally Convertible Redeemable Preference Shares	Shares	-	-
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	9,004,585	8,812,746
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	195.00	110.47
Diluted earnings per share	In ₹	192.76	107.28

31 Contingent liabilities not provided for:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contingent liabilities		
(A) Guarantees given on behalf of subsidiary company: (Refer note below)		
a) To banks		
Amount of guarantees	78,280.00	48,280.00
Amount of loans outstanding	43,955.14	38,212.19
(B) Disputed Demand of Tax		
i) Income Tax Act	787.33	613.24
ii) TDS	-	-
(C) Commitments:		
Land Acquisition	1,171.00	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

32 Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Group during the year towards CSR is ₹120.06 lakhs (March 31, 2023: 74.04 lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Sr. No.	Particulars	In Cash	Transferred to unspent CSR a/c U/s 135(6)	Yet to be paid in Cash	Total
1	Construction/ acquisition of assets	-	-	-	-
2	Other purpose (Other than 1 above)	120.06	-	-	120.06

33 Leasing Arrangements:

The Group has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 60 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

I. Amount Recognized in Profit & loss Account During the year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Expenses related to Short Term Lease	396.40	355.96
ii) Lease Expenses (Interest Expense - Finance Cost)	8.15	11.01
iii) Depreciation charge for right-of-use assets	28.59	27.90
Total	**433.14**	**394.87**

II. Amounts recognised in statement of cash flows (including Interest Component)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	37.52	35.84

III. Additions to right-of-use assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Addition to Right of used assets added	76.04	-

IV. Maturity analysis of lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	46.70	36.80
After one year but not more than five years	142.49	91.98
More than five years	-	-
Total undiscounted lease liabilities	**189.19**	**128.78**
Balances of Lease Liabilities		
Non-Current	120.03	82.03
Current	37.64	28.97
Total Lease Liability	**157.67**	**111.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

34 Segment Reporting:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

Mr. Jaimish Patel (Company Secretary)

B) Other Directors and relatives of Key Managerial Personnel

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Year Ended March 31, 2024			
	Key Managerial Personnel	Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Expenses				
Remuneration & perquisites Paid	182.13	-	-	182.13
Sitting fees	-	8.28	-	8.28
Interest expenses	40.33	52.67	85.87	178.87
Rent paid	-	23.27	-	23.27
CSR Expenses	-	-	80.63	80.63
Unsecured Loan				
Unsecured Loan Taken	346.40	394.82	689.46	1,430.68
Unsecured Loan Repaid (Including Interest)	386.72	447.49	775.33	1,609.54

Particulars	Year Ended March 31, 2023			
	Key Managerial Personnel	Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Expenses				
Remuneration & perquisites Paid	140.20	-	-	140.20
Sitting fees	-	7.90	-	7.90
Interest expenses	25.78	89.22	80.91	195.92
Rent paid	-	22.18	-	22.18
CSR Expenses	-	-	108.15	108.15
Unsecured Loan				
Unsecured Loan Taken	358.58	2,246.84	2,504.71	5,110.13
Unsecured Loan Repaid (Including Interest)	384.36	2,336.06	2,585.62	5,306.04

E) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

Unsecured Loan Taken:

SRN	Name of Relative	2023-24	2022-23
1	Aakash Patel (HUF)	232.72	210.24
2	Aalok PATEL	8.97	106.62
3	Aalok PATEL (HUF)	2.07	2.07
4	Jayendra Patel	337.43	251.96
5	Jayendra Patel (HUF)	26.73	24.23
6	Namra Holdings & Consultancy Services LLP	656.30	2,474.30
7	Raaj Enterprise	33.16	30.41
8	Ritaben Patel	133.30	110.30

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Unsecured Loan Repayments:

SRN	Name of Relative	2023-24	2022-23
1	Aakash Patel (HUF)	264.29	238.48
2	Aalok PATEL	10.16	107.49
3	Aalok PATEL (HUF)	2.36	2.35
4	Jayendra Patel	376.57	276.87
5	Jayendra Patel (HUF)	30.29	27.42
6	Namra Holdings & Consultancy Services LLP	737.73	2,551.26
7	Raaj Enterprise	37.60	34.36
8	Ritaben Patel	150.56	119.71

Remuneration & Perquisites Paid:

SRN	Name of Relative	2023-24	2022-23
1	Aalok Patel	51.34	40.02
2	Jaimish Patel	11.74	10.83
3	Jayendra Patel	77.62	56.27
4	Vivek Modi	41.42	33.08

Interest expenses

SRN	Name of Relative	2023-24	2022-23
1	Interest expenses	31.56	28.24
2	Aalok PATEL	1.19	0.87
3	Aalok PATEL (HUF)	0.29	0.28
4	Jayendra Patel	39.14	24.91
5	Jayendra Patel (HUF)	3.56	3.19
6	Namra Holdings & Consultancy Services LLP	81.43	125.06
7	Raaj Enterprise	4.44	3.95
8	Ritaben Patel	17.26	9.41

Sitting fees

SRN	Name of Relative	2023-24	2022-23
1	Alok Prasad	2.08	2.13
2	Geetaben Solanki	0.85	0.83
3	Ramakant Nagpal	2.33	2.20
4	Ritaben Patel	1.80	1.35
5	Yash Shah	1.23	1.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Rent paid

SRN	Name of Relative	2023-24	2022-23
1	J. B. Patel & Co.	0.21	0.21
2	Ritaben Patel	18.51	17.62
3	Mrs. Sajni Patel	2.28	2.17
4	Aakash Patel (HUF)	2.28	2.17

CSR Expenses

SRN	Name of Relative	2023-24	2022-23
1	Arman Foundation	80.63	108.15

F Outstanding Credit Balance of Salary Payable as Follows

SRN	Name of Relative	2023-24	2022-23
1	Jayendra Patel	-	2.47
2	Aalok Patel	-	1.49
3	Vivek Modi	-	1.17
4	Jaimish Patel	-	0.84

H) Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. Transactions with key management personnel are as follows:

Particulars	2023-24	2022-23
Post-employment benefits	5.25	7.78
Share Based Payment	37.43	-
Total	**42.68**	**7.78**

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

37 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount payable to suppliers as at year end	-	-
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

38 Stock Option Scheme

The Company has granted stock options to certain employees of the Company under following Employee Stock Option Schemes:

1. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016") - instituted, pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.
2. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2023' ("ESOP 2023") - instituted, pursuant to the approval of the shareholders of the Company, by way of postal ballot notice dated May 30, 2023.

During the year ended March 31, 2024, Company has granted 1,000 new stock options (P.Y. 4,500) and 1,48,600 new stock options (P.Y. Nil) under the scheme of ESOP 2016 and ESOP 2023, respectively.

Details of grant and exercise of such options are as follows:

Schemes	Tranches	No. of options granted	Date of grant	No of Employees	F.Y.	No. of employees who have exercised the option	No. of options exercised
ESOP-2016	ESOP-2016 -1	97,500	May 26, 2017	55	2018-19	49	27,645
					2019-20	48	26,595
					2020-21	45	34,340
	ESOP-2016 -2	9,000	May 25, 2018	3	2019-20	2	2,400
					2020-21	2	2,400
					2021-22	2	3,200
	ESOP-2016 -3	2,500	Oct 13, 2018	1	2019-20	1	750
					2020-21	1	750
	ESOP-2016-4	3,500	Feb 12, 2021	6	2022-23	5	750
					2023-24	4	645
	ESOP-2016-5	2,000	Feb 14, 2022	2	2023-24	2	600
	ESOP-2016-6	4,500	Feb 14, 2023	2	2023-24	-	-
	ESOP-2016-7	1,000	Aug 14, 2023	1	2023-24	-	-
ESOP-2023	ESOP-2023-1	148,600	Aug 14, 2023	730	2023-24	-	-

Key terms and conditions related to the grant of the stock options are as follows:

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of board meeting, where ESOP were approved	11 August 2016
Date of Board meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,20,000 out of 1,25,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	ESOP 2016
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 30% End of 1 Year
	2. 30% End of 2 Years
	3. 40% End of 3 Years
	Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force.
Exercise period	It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options

Particulars	ESOP 2023
Date of Grant	August 14, 2023
Date of board meeting, where ESOP were approved	May 30, 2023
Date of Board meeting where grant of options were approved	August 14, 2023
Date of Shareholder's approval	July 4, 2023
No. of options granted	1,48,600 out of 3,00,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 10% End of 1 Year
	2. 20% End of 2 Years
	3. 30% End of 3 Years
	4. 40% End of 4 Years
Exercise period	It shall commence from the date of vesting of options and expire not later than 24 months from the vesting date of each grant of options

Details of Vesting and Exercise of Options (ESOP 2016):

Vesting Date	ESOP-2016		ESOP-2023	
	Vested Options	No of Option Exercised	Vested Options	No of Option Exercised
May 26, 2018	29,250	27,645	-	-
May 25, 2019	2,700	2,400	-	-
May 26, 2019	28,485	26,595	-	-
October 13, 2019	750	750	-	-
May 25, 2020	34,660	34,340	-	-
May 26, 2020	2400	2400	-	-
October 13, 2020	750	750	-	-
May 24, 2021	3200	3200	-	-
February 12, 2022	1,050	750	-	-
February 11, 2023	750	645	-	-
February 13, 2023	600	600	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

The following table sets forth a summary of ESOP schemes:

Particulars	ESOP-2016		ESOP-2023	
	2023-24	2022-23	2023-24	2022-23
Options outstanding at the beginning of the year	8,250	4,500	-	-
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	1,000	4,500	1,48,600	-
Forfeited during the year	-	-	-	-
Exercised during the year	1,245	750	-	-
Lapsed during the year	2,945	-	21,560	-
Outstanding at the end of the year	5,060	8,250	1,27,040	-
Exercisable at the end of the year	1,910	1,350	-	-
Weighted average exercise price per option	₹50/-	₹50/-	₹500/-	-

The Group has recognised share based payment expense of ₹642.24 Lakhs (March 31, 2023: ₹17.27 Lakhs) during the year as proportionate cost.

Share options outstanding at the end of the year have the following contractual expiry date and exercise options:

Tranches	Grant date	Number of Granted options	Expiry date	Exercise price	Number of options outstanding	
					As at March 31, 2024	As at March 31, 2023
ESOP-2016-4	12-Feb-21	1,050	11-May-23	50	-	750
	12-Feb-21	1,400	11-May-24	50	860	1,000
ESOP-2016-5	14-Feb-22	600	13-May-23	50	-	600
	14-Feb-22	600	13-May-24	50	300	600
	14-Feb-22	800	13-May-25	50	400	800
ESOP-2016-6	14-Feb-23	1,350	13-May-24	50	750	1,350
	14-Feb-23	1,350	13-May-25	50	750	1,350
	14-Feb-23	1,800	13-May-26	50	1,000	1,800
ESOP-2016-7	14-Aug-23	300	13-Nov-24	50	300	-
	14-Aug-23	300	13-Nov-25	50	300	-
	14-Aug-23	400	13-Nov-26	50	400	-
ESOP-2023-1	14-Aug-23	14,860	13-Aug-26	500	12,704	-
	14-Aug-23	29,720	13-Aug-27	500	25,408	-
	14-Aug-23	44,580	13-Aug-28	500	38,112	-
	14-Aug-23	59,440	13-Aug-29	500	50,816	-
Total					**1,32,100**	**8,250**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Measurement of fair values

The fair value of employee share options has been measured using Black-Scholes model. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plans are as follows:

Tranches	Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value of option
ESOP-2016-4	12-Feb-21	11-May-23	50.97%	50	729.9	4.52%	684.47
	12-Feb-21	11-May-24	50.97%	50	729.9	5.00%	687.15
ESOP-2016-5	14-Feb-22	13-May-23	50.97%	50	747.65	4.63%	700.18
	14-Feb-22	13-May-24	50.97%	50	747.65	4.93%	702.61
	14-Feb-22	13-May-25	50.97%	50	747.65	5.40%	705.43
ESOP-2016-6	14-Feb-23	13-May-24	22.02%	50	1,511.00	7.93%	1,465.25
	14-Feb-23	13-May-25	22.02%	50	1,511.00	7.31%	1,468.18
	14-Feb-23	13-May-26	22.02%	50	1,511.00	7.39%	1,471.30
ESOP-2016-7	14-Aug-23	13-Nov-24	45.00%	50	2,308.00	7.07%	2,261.81
	14-Aug-23	13-Nov-25	45.00%	50	2,308.00	7.29%	2,265.16
	14-Aug-23	13-Nov-26	45.00%	50	2,308.00	7.31%	2,268.20
ESOP-2023-1	14-Aug-23	13-Aug-26	45.00%	500	2,308.00	7.28%	1,876.55
	14-Aug-23	13-Aug-27	45.00%	500	2,308.00	7.31%	1,909.50
	14-Aug-23	13-Aug-28	45.00%	500	2,308.00	7.33%	1,941.18
	14-Aug-23	13-Aug-29	45.00%	500	2,308.00	7.33%	1,970.87

39 The Board of Directors has not recommended any dividend for the financial year 2023-24 (P.Y. Dividend Nil per equity share of face value of ₹10/- each)

40 Additional information as required by paragraph 2 of the general instruction for preparation of the Consolidated Financial Statements to the Schedule III of the Act

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or Loss		Share in Other Comprehensive income	
	As % of Consolidated net assets	Amounts	As % of Consolidated Profit & Loss	Amounts	As % of Consolidated net assets	Amounts
Parent						
Arman Financial Services Limited	31.83%	25,870.92	19.27%	3,344.01	-1.55%	(8.85)
Subsidiaries Indian						
Namra Finance Limited	68.17%	55,397.66	80.73%	14,013.27	101.55%	580.14
Foreign	-	-	-	-	-	-
Minority interests in all subsidiaries associates (investments as per the equity method)						
Parent Subsidiaries Indian						
Namra Finance Limited	-	-	-	-	-	-
Foreign	-	-	-	-	-	-
Total	**100.00%**	**81,268.57**	**100.00%**	**17,357.28**	**100.00%**	**571.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

41. The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

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

Particulars	Note No.	As at March 31, 2024			As at March 31, 2023		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	11,859.04	-	11,859.04	2,622.12	-	2,622.12
Bank Balance other than above	2	36,551.85	4,061.67	40,613.52	37,885.39	2,524.28	40,409.67
Loans	3	1,65,793.11	37,498.07	2,03,291.17	1,16,369.10	37,301.65	1,53,670.75
Investments	4	711.81	-	711.81	1,947.93	-	1,947.93
Other Financial assets	5	4,046.90	55.44	4,102.33	2,817.31	71.28	2,888.59
Non-financial Assets							
Deferred tax Assets (Net)	6	1,915.47	-	1,915.47	1,546.51	-	1,546.51
Property, Plant and Equipment & Other Intangible assets	7	-	624.64	624.64	-	516.32	516.32
Right of Use Assets	7	-	141.48	141.48	-	94.03	94.03
Other non-financial assets	8	246.27	-	246.27	120.49	-	120.49
Total Assets		**2,21,124.43**	**42,381.30**	**2,63,505.73**	**1,63,308.85**	**40,507.56**	**2,03,816.41**
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Trade Payables	9						
(a) total outstanding dues of micro enterprises and small enterprises		65.68	-	65.68	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		132.87	-	132.87	152.47	-	152.47
Debt Securities	10	11,058.70	19,178.34	30,237.05	13,870.71	10,464.78	24,335.49
Borrowings (Other than Debt Securities)	11	97,693.97	42,061.74	1,39,755.71	75,494.28	54,252.89	1,29,747.16
Subordinated Liabilities	12	1,500.00	1,000.00	2,500.00	3,858.45	2,500.00	6,358.45
Other financial liabilities	13	7,922.66	203.09	8,125.74	5,372.05	266.76	5,638.81
Non-Financial Liabilities							
Provisions	14	84.72	174.16	258.88	58.05	141.66	199.71
Current Tax Liabilities (Net)	15	722.60	-	722.60	459.56	-	459.56
Other non-financial liabilities	16	438.61	-	438.61	355.70	-	355.70
EQUITY							
Equity Share capital	17	-	1,047.68	1,047.68	-	849.23	849.23
Other Equity	18	-	80,220.90	80,220.90	-	35,719.82	35,719.82
Total Liabilities and Equity		**1,19,619.83**	**1,43,885.90**	**2,63,505.73**	**99,621.27**	**1,04,195.13**	**2,03,816.41**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

42 Fair Value Measurements:

A Financial instrument by category and their fair value

As at March 31, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	2,03,291.17	-	-	-	2,03,291.17	2,03,291.17
Advance given for Land Acquisition	5	1,043.33	-	-	1,043.33	-	-	1,043.33
Cash and Cash Equivalents	1	11,859.04	-	-	11,859.04	-	-	11,859.04
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	41,412.38	-	-	-	41,412.38	-	41,412.38
Investments	4	-	-	711.81	711.81	-	-	711.81
Security Deposits	5	28.90	-	-	-	-	28.90	28.90
Other Advance		11.02	-	-	-	-	11.02	11.02
Income Receivable from Direct Assignment	5	1,928.88	-	-	-	-	1,928.88	1,928.88
Interest Due but not Received on Loans and Advances	5	291.35	-	-	-	-	291.35	291.35
Total		**56,574.90**	**2,03,291.17**	**711.81**	**13,614.18**	**41,412.38**	**2,05,551.32**	**2,60,577.88**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

As at March 31, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Trade Payable	9	198.56	-	-	-	-	198.56	198.56
Debt Securities	10	30,237.05	-	-	-	-	30,237.05	30,237.05
Borrowings (Other than Debt Securities)	11	1,39,755.71	-	-	-	-	1,39,755.71	1,39,755.71
Subordinated Liabilities	12	2,500.00	-	-	-	-	2,500.00	2,500.00
Other financial liabilities	13	8,125.74	-	-	-	-	8,125.74	8,125.74
Total Financial Liabilities		**1,80,817.05**	**-**	**-**	**-**	**-**	**1,80,817.05**	**1,80,817.05**

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	1,53,670.75	-	-	-	1,53,670.75	1,53,670.75
Advance given for Land Acquisition	5	-	-	-	-	-	-	-
Cash and Cash Equivalents	1	2,622.12	-	-	2,622.12	-	-	2,622.12
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	41,530.66	-	-	-	41,530.66	-	41,530.66
Investments	4	1,147.06	-	800.86	800.86	-	1,147.06	1,947.93
Security Deposits	5	25.48	-	-	-	-	25.48	25.48
Other Advance		89.34	-	-	-	-	89.34	89.34
Income Receivable from Direct Assignment	5	1,543.01	-	-	-	-	1,543.01	1,543.01
Interest Due but not Received on Loans and Advances	5	109.77	-	-	-	-	109.77	109.77
Total		**47,067.44**	**1,53,670.75**	**800.86**	**3,422.98**	**41,530.66**	**1,56,585.42**	**2,01,539.06**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Trade Payable	9	152.47	-	-	-	-	152.47	152.47
Debt Securities	10	24,335.49	-	-	-	-	24,335.49	24,335.49
Borrowings (Other than Debt Securities)	11	1,29,747.16	-	-	-	-	1,29,747.16	1,29,747.16
Subordinated Liabilities	12	6,358.45	-	-	-	-	6,358.45	6,358.45
Other financial liabilities	13	5,638.81	-	-	-	-	5,638.81	5,638.81
Total Financial Liabilities		**1,66,232.39**	**-**	**-**	**-**	**-**	**1,66,232.39**	**1,66,232.39**

B Reconciliation of level 3 fair value measurement is as follows:

Loans	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1,53,670.75	1,05,760.66
Addition during the year	1,95,087.54	1,52,917.28
Amount derecognised / repaid during the year	(1,38,421.59)	(99,952.01)
Amount written off	(4,710.44)	(4,905.55)
Gains/(losses) recognised in statement of profit or loss	(2,335.09)	(149.63)
Balance at the end of the year	**2,03,291.17**	**1,53,670.75**

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

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

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

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

I Credit Risk

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

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

Loans and advances:

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

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Carrying amount	
	As at March 31, 2024	As at March 31, 2023
Retail assets (Refer Note 3)	203,291.17	153,670.75
Loans to NBFC-to Create the underlying assets	-	-
Total	**203,291.17**	**153,670.75**

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

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

a TW Loans

b SME Loans

c Retail Asset Channel Loans

d Microfinance

Staging:

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

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

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

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

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

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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 3loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

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

Conditional marginal probability:
As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios. Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

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

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

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:
   a) Outstanding balance (POS).
   b) Recovery amount (discounted yearly) by initial contractual rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
   d) Collateral (security) amount.

   The formula for the computation is as below:
   % Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)
   % LGD = 1 – recovery rate

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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:

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening provision of ECL	6,681.33	6,531.70
Addition during the year	9,062.85	4,813.81
Utilization / reversal during the year	(6,727.76)	(4,664.18)
Closing provision of ECL	**9,016.42**	**6,681.33**

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

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

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

Capital adequacy ratio of the Holding Company, as on 31 March 2024 is 62.74% against regulatory norms of 15%. Tier I capital is 61.49% as against requirement of 10%. Tier II capital is 1.25% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Capital adequacy ratio of the Subsidiary Company, as on 31 March 2024 is 32.80% against regulatory norms of 15%. Tier I capital is 31.20% as against requirement of 10%. Tier II capital is 1.60% 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 ₹1029 lakhs spread across 3 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

	1 Day to 30/31 Days (One Month)	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
As at March 31, 2024									
Debt Securities (Refer Note 10)	2,589.31	363.64	-	3,429.77	4,675.99	15,150.34	4,028.00	-	30,237.05
Borrowings & Subordinated Liabilities	10,830.08	8,244.30	9,254.81	22,348.62	48,516.16	42,061.74	1,000.00	-	1,42,255.71
As at March 31, 2023									
Debt Securities (Refer Note 10)	-	3,454.29	197.57	216.38	10,002.47	10,464.77	-	-	24,335.49
Borrowings & Subordinated Liabilities	7,148.41	7,764.81	7,827.78	23,529.54	33,082.19	55,752.88	-	1,000.00	1,36,105.62

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. (₹ In Lakhs)

Particulars	For the year ended on March 31, 2024	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits	40,613.52	40,613.52
Impact on profit for the year	203.07	(203.07)
Variable Rate Borrowings	139,755.71	139,755.71
Impact on profit for the year	(698.78)	698.78

V Foreign currency risk:

As at March 31, 2024, the company has no outstanding foreign currency borrowings (March 31, 2023: Nil). The Company has undertaken principal swaps and cross currency swaps to hedge the foreign currency risk of the ECB principals. Whereas the company has entered into floating to fixed coupon only swaps and interest rate swaps along with forward contracts to hedge the floating interest and foreign currency risk of the coupon payments. All the derivative instruments are purely for hedging the underlying ECB transactions as per applicable RBI guidelines and not for any speculative purpose.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company's risk management policies.

VI Foreign currency risk exposure

The Company exposure to foreign currency risk at the end of the reporting period expressed in Rupees are as follows:

Particulars	Currency	March 31, 2024	March 31, 2023
Financial liabilities			
External commercial borrowings (Refer Note 11)	Euro	-	-
(including interest accrued)			
(Gain)/loss: Derivative contract		-	-

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. (₹ in Lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Euro Sensitivity		
INR/Euro-increase by 5%	-	-
INR/Euro-decrease by 5%	-	-

* Holding all other variables constant

44 The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2024, the Company has written off (net) ₹3954.37 Lakhs. The Total ECL provision of ₹9016.42 Lakhs on Loans and Advances is retained by the company as at March 31, 2024. 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 macroeconomic events. 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.

45 Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Arman Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Arman Financial Services Limited** ("the Company"), which comprise the standalone Balance Sheet as at March 31 2024, the standalone statement of Profit and Loss (including other Comprehensive Income), the standalone statement of changes in Equity and the standalone statement of Cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

KEY AUDIT MATTERS

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

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

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2024 the Company has Net financial assets (loans) amounting to 40,683.99 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2024. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The broader macroeconomic situation, including inflation rates, interest rates, and overall economic growth, has influenced the change in the estimation of expected credit losses. Uncertainties in economic conditions and market volatility compared to previous years have led the management to increase the provision by 443.59 Lakhs for the year ended March 31, 2024. Considering the significance of the above matter to the standalone financial statements and the substantial judgment involved in the calculation of expected credit losses, we have identified this as a key audit matter for the current year audit.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following: a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based; b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; c) developing a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; d) testing the arithmetical calculation of the expected credit losses; e) verifying the adequacy of the related disclosures; and f) Obtaining written representations from management whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 3(f) below on reporting under rule 11(g);

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including other Comprehensive Income), Standalone Statement of changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**; and

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

   a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the Standalone financial statements.

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

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has not declared or paid any Dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

f) The Company has not used accounting software with an audit trail (edit log) facility. Consequently, we are unable to report whether the audit trail facility has been operated and maintained throughout the year for all transactions recorded in the software, or if the audit trail feature has been tampered with.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

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

CA Kushal U. Talati
Partner
UDIN: 24188150BKACVD1584
Membership No. 188150

Place: Ahmedabad
Date: May 27, 2024

ANNEXURE "A"

To Independent Auditor's Report on Standalone Financial Statements Of Arman Financial Services Limited for the year ended on March 31, 2024

(Referred to in **Paragraph 1** under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) In respect of its Property, Plant, Equipment and Intangible Asset:

a. (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").

(ii) The Company has maintained proper records showing full particulars of Intangible Assets and Intangible Assets under Development.

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

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment or Intangible assets or both during the year.

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

(ii) In respect of its Inventories:

a. The Company is in the business of providing loans and does not have any physical Inventories and hence clause 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.

b. During the year, the Company has availed sanctioned working capital limit in excess of ₹5 crores from Banks or Financial Institutions on the basis of security of Loans. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are in agreement with the books of accounts maintained by the Company.

(iii) a. Since the Company's principal business is to give loans, hence reporting under clause 3(iii)(a) of the Order is not applicable.

b. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

c. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 3 to the Standalone Financial Statements for summarized details of such loans/ advances which are not repaid by borrowers as per stipulations. The company has taken reasonable step for recovery of Principal and Interest.

d. The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 3.1 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹1,123.89 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.

e. The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013, with respect to the loans given, investments made and guarantees and securities given.

(v) In our opinion the Company has complied with the directives issued by the Reserve Bank of India with regard to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being [Non-Banking Finance Company registered with RBI provisions of Sections 73to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable and no order has been passed by the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

a. According to the records of the Company, the Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues which remained outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no disputed statutory dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute, except for the following:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Periods to which the amount relates (A.Y)	Forum where the dispute is pending	Remarks (If any)
Income Tax Act, 1961	Income Tax	594.23	2012-13	CIT (A)	-
Income Tax Act, 1961	Income Tax	13.31	2009-10	CIT (A)	-
Income Tax Act, 1961	Income Tax	5.70	2011-12	CIT (A)	-

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) a. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holder.

b. According to the information and explanations given to us, company is not declared wilful defaulter by any Bank or Financial Institution.

c. Based on an overall examination of balance sheet of the company, in our opinion term loans taken during the year was applied for the purpose for which they were obtained.

d. According to the information and explanations given to us, company has not utilized fund raised on short term basis for long term purpose.

e. Based on our audit procedure and according to information and explanation given to us, we are of the opinion that the Company has not raised funds to meet the obligations of its Subsidiary.

f. According to the information and explanations given to us, company has not raised loan on pledge of securities held in subsidiaries.

(x) In Respect of Utilization of Issue Proceeds:

a. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year.

b. According to the information and explanations given to us, and on an overall examination of the balance sheet, Company has made private placement through QIP (Qualified institutional placement) during the year and have been complied with the requirement of section 42 of companies Act, 2013. Funds raised have been utilized for the purpose for which funds were raised.

(xi) a. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud by the Company or any fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit.

b. Based upon the audit procedures performed, no report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.

c. According to the information and explanations given to us, no whistle blower complaints has come to the knowledge of Auditor.

(xii) In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the company. Hence, clause (xii) of the Company's (Auditor's Report) Order, 2020 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of The Companies Act, 2013 and details thereof are properly disclosed in the Standalone financial statements.

(xiv) In Respect of Internal Audit System

a. According to the information and explanations given to us, Company has Internal Audit System Commensurate with the size and nature of its business.

b. We have considered, during the course of our audit, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us, in our Opinion during the year the Company has not entered in to any non-cash transactions with its directors or persons connected to its directors during the year, hence section 192 of the Companies Act, 2013 and clause (xv) of Company's (Auditor's Report) Order, 2020 is not applicable.

(xvi) a. In our opinion and according to the information and explanation given to us the Company is registered under section 45-IA of Reserve Bank of India Act, 1934, and registration certificate for the same has been obtained.

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

c. In our opinion and according to the information and explanations given to us, Company is not Core Investment Company as defined in the regulation made by the Reserve Bank of India.

d. According to the information and explanations given to us, The Group to which the company belongs has no Core Investment Company as part of the group.

(xvii) In our opinion and according to the information and explanation given to us the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

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

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

(xx) In Respect to Unspent CSR:

a. In our opinion and according to the information and explanation given to us, In respect of other than ongoing projects, the company has no unspent amount as on reporting date which was required to be transferred to a Fund specified in Schedule VII to the companies Act within the period of six months of the expiry of financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

b. In our opinion and according to the information and explanation given to us any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

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

CA Kushal U. Talati
Partner
UDIN: 24188150BKACVD1584
Membership No. 188150

Place: Ahmedabad
Date: May 27, 2024

ANNEXURE "B"

To Independent Auditor's Report on Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2024

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

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

OPINION

We have audited the internal financial controls over financial reporting of Arman Financial services Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

CA Kushal U. Talati
Partner
UDIN: 24188150BKACVD1584
Membership No. 188150

Place: Ahmedabad
Date: May 27, 2024

STANDALONE BALANCE SHEET

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	6,952.26	144.29
(b) Bank balance other than (a) above	2	6,979.81	6,395.20
(c) Loans	3	40,683.99	29,696.88
(d) Investments	4	28,112.41	19,643.87
(e) Other financial assets	5	1,266.73	190.29
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	54.98	176.10
(b) Deferred tax assets (Net)	7	410.91	368.21
(c) Property, plant and equipment	8	172.56	80.07
(d) Other intangible assets	8	6.92	3.19
(e) Other non-financial assets	9	171.05	53.01
Total Assets		**84,811.63**	**56,751.11**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		2.77	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		35.31	33.72
(b) Debt Securities	11	16,745.14	10,183.09
(c) Borrowings (Other than debt securities)	12	11,855.18	17,661.69
(d) Subordinated liabilities	13	500.00	4,358.45
(e) Other financial liabilities	14	1,411.12	754.11
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	6	-	-
(b) Provisions	15	84.76	67.58
(c) Other non-financial liabilities	16	689.16	756.18
(3) EQUITY			
(1) Equity Share capital	17	1,047.68	849.23
(2) Other equity	18	52,440.51	22,087.05
Total Liabilities and Equity		**84,811.63**	**56,751.11**
See accompanying notes to the standalone financial statements	**1 to 55**		

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

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

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

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 27.05.2024

STANDALONE STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars		Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
(1)	**Revenue from operations**			
	Interest income	19	12,457.35	9,070.48
	Gain on assignment of Financial Assets	22	214.76	-
	Fees and Commission income	20	413.10	322.24
	Net gain on fair value changes	21	266.03	46.52
	Total Revenue from operations (1)		**13,351.25**	**9,439.24**
(2)	Other income	23	265.87	174.79
(3)	**Total Income (1+2)**		**13,617.11**	**9,614.02**
(4)	**Expenses**			
	Finance costs	24	4,556.55	3,069.78
	Impairment of financial instruments	25	723.53	210.01
	Employee benefits expenses	26	2,458.13	1,765.22
	Depreciation, amortization and impairment	27	18.87	13.03
	Others expenses	28	1,025.00	797.04
	Total Expenses (4)		**8,782.08**	**5,855.07**
(5)	**Profit / (loss) before tax (3-4)**		**4,835.03**	**3,758.95**
(6)	**Tax Expense:**			
	(1) Current Tax	29	1,049.30	787.90
	(2) Short / (excess) Provision of Income Tax/deferred tax of earlier years	29	35.65	-
	(3) Deferred Tax	29	(39.73)	134.90
(7)	**Profit/(loss) for the period (5-6)**		**3,789.81**	**2,836.15**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit obligations		(2.69)	(22.28)
	(ii) Income tax relating to items not to be reclassified to profit or loss		0.68	5.61
	Subtotal (A)		**(2.01)**	**(16.67)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(9.14)	(134.54)
	(ii) Income tax relating to items to be reclassified to profit or loss		2.30	33.86
	Subtotal (B)		**(6.84)**	**(100.68)**
	Other Comprehensive Income (A + B)		**(8.85)**	**(117.35)**
(9)	**Total Comprehensive Income for the period (7+8) (Comprising profit (Loss) and other comprehensive income for the period)**		**3,780.96**	**2,718.80**
(10)	**Earnings per equity share**			
	Basic (₹)	30	42.58	33.40
	Diluted (₹)	30	42.09	33.02
See accompanying notes to standalone financial statements		**1 to 55**		

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

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

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

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 27.05.2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(A) Equity share capital (Refer Note 17)

FY 2023-24 (₹ in Lakhs)

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 year	Balance as at March 31, 2024
Ordinary equity share capital	849.23	-	849.23	198.44	1,047.68

FY 2022-23

Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Ordinary Equity share capital	849.16	-	849.16	0.08	849.23

(B) Other equity (Refer note 18) (₹ in Lakhs)

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		
FY 2023-24								
Balance as at March 31, 2023	**6,383.05**	**154.35**	**2,093.00**	**6,909.18**	**6,587.37**	**23.75**	**(63.66)**	**22,087.05**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2023	**6,383.05**	**154.35**	**2,093.00**	**6,909.18**	**6,587.37**	**23.75**	**(63.66)**	**22,087.05**
Profit for the year	-	-	-	-	3,789.81	-	-	3,789.81
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(8.85)	(8.85)
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**3,789.81**	**-**	**(8.85)**	**3,780.96**
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	758.00	-	(758.00)	-	-	-
Additions during the year in securities premium	-	-	-	33,021.84	-	(8.72)	-	33,013.12
Share Issue Expense	-	-	-	(699.80)	-	-	-	(699.80)
Transfer during the year in General Reserve	-	10.00	-	-	(10.00)	-	-	-
Transferred to liability component	(7.41)	-	-	-	-	-	-	(7.41)
Transferred to Security Premium	(6,375.65)	-	-	-	-	-	-	(6,375.65)
Share based payment to employees (ESOP)	-	-	-	-	-	642.24	-	642.24
Balance as at March 31, 2024	**-**	**164.35**	**2,851.00**	**39,231.22**	**9,609.18**	**657.27**	**(72.51)**	**52,440.51**

STANDALONE STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2024

(B) Other equity (Refer note 18) (contd.) (₹ in Lakhs)

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		
FY 2022-23								
Balance as at March 31, 2022	**-**	**144.35**	**1,525.00**	**6,903.77**	**4,607.74**	**11.59**	**53.69**	**13,246.14**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2022	-	144.35	1,525.00	6,903.77	4,607.74	11.59	53.69	13,246.14
Profit for the year	-	-	-	-	2,836.15	-	-	2,836.15
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(117.35)	(117.35)
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**2,836.15**	**-**	**(117.35)**	**2,718.80**
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	568.00	-	(568.00)	-	-	-
Reversal of Corporate Guarantee due to closure of loan of subsidiary company	-	-	-	-	(278.52)	-	-	(278.52)
Additions during the year in securities premium	-	-	-	5.41	-	(5.11)	-	0.30
Transfer during the year in General Reserve	-	10.00	-	-	(10.00)	-	-	-
Issue of CCD and OCRPS	6,383.05	-	-	-	-	-	-	6,383.05
Share based payment to employees (ESOP)	-	-	-	-	-	17.27	-	17.27
Balance as at March 31, 2023	**6,383.05**	**154.35**	**2,093.00**	**6,909.18**	**6,587.37**	**23.75**	**(63.66)**	**22,087.05**

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

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

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2024

(₹ in Lakhs)

	PARTICULARS	For the year ended March 31, 2024		For the year ended March 31, 2023	
A:	**Cash from Operating Activities:**				
	Net profit before taxation		4,835.03		3,758.95
	Adjustment For:				
	Depreciation and amortisation	18.87		13.03	
	Interest Income	(12,457.35)		(9,070.48)	
	Finance cost Expense	4,556.55		3,069.78	
	Provision for impairment on financial assets	443.59		(635.16)	
	Gain On Assignment of Assets (Net of Expense)	(214.76)		-	
	Loss / (Profit) on sale of Current Investment	(266.03)		(46.52)	
	Remeasurement of define benefit plan	(2.69)		(22.28)	
	Employee Stock Option Plan Expense	220.28		8.81	
	Interest on shortfall of advance Tax	-		-	
	Loss on Disposal of Property, Plant & Equipment	3.57		-	
	Financial Guarantee Income	(265.87)		(174.79)	
			(7,963.83)		**(6,857.59)**
	Operating profit before working Capital changes:		**(3,128.80)**		**(3,098.64)**
	Adjustment For (Increase) / Decrease in Operating Assets:				
	Loans and Advances	(11,439.84)		(10,366.76)	
	Financial Assets	(846.71)		44.28	
	Non Financial Assets	(118.04)		20.10	
	Bank balance other than Cash and Cash equivalents	(584.61)		(5,638.69)	
	Adjustment For Increase/(Decrease) in Operating Liabilities:				
	Trade Payables	4.36		(27.57)	
	Other Non Financial liability	30.09		131.97	
	Other Financial Liabilities	62.30		86.31	
	Subordinated Debts	(79.76)		269.83	
	Provision	17.18		27.66	
			(12,955.02)		**(15,452.87)**
	Cash Generated From Operations		**(16,083.82)**		**(18,551.51)**
	Interest Income Received	12,442.37		8,945.74	
	Finance Cost Paid	(4,024.55)		(3,033.99)	
	Income tax paid	(963.83)		(946.60)	
			7,453.99		**4,965.15**
	Net Cash From Operating Activities:		**(8,629.83)**		**(13,586.36)**
B:	**Cash Flow From Investing Activities:**				
	Purchase of Property, Plant & Equipment	(124.27)		(12.04)	
	Sale of Property, Plant & Equipment	5.61		-	
	Purchase of investments	(40,749.47)		(31,608.62)	
	Sale of investments	33,137.68		21,658.03	
	Net Cash from Investment Activities:		**(7,730.45)**		**(9,962.63)**

STANDALONE STATEMENT OF CASH FLOW (CONTD.)

for the year ended March 31, 2024

(₹ in Lakhs)

	PARTICULARS	For the year ended March 31, 2024		For the year ended March 31, 2023	
C:	**Cash Flow From Financing Activities:**				
	Proceeds from issue of share capital (including Premium)	23,000.60		0.38	
	Share Issue Expense	(699.80)		-	
	Proceeds from issue of OCRPS (including Premium)	-		3,824.96	
	Proceeds from issue of CCD	-		7,679.97	
	Proceeds from long term borrowings	16,703.78		13,676.60	
	Repayment of borrowings	(13,141.83)		(8,475.08)	
	Repayment of CCD	(998.11)		(485.92)	
	Net increase / (decrease) in working capital borrowings	(1,696.38)		4,370.45	
	Net Cash from Financing Activities:		**23,168.26**		**20,591.36**
	Net Increase/(Decrease) in Cash & Cash Equivalents		**6,807.97**		**(2,957.64)**
	Cash & cash equivalents at the beginning of the year		144.29		3,101.93
	Cash & cash equivalents at the end of the year		6,952.26		144.29

As per our report of even date attached herewith

Notes:

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

Particulars	March 31, 2024	March 31, 2023
Cash on hand	11.31	8.71
Balance with Bank	6,940.95	135.58
Total	6,952.26	144.29

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

3 Change in liabilities arising from financing activities:

Particulars	March 31, 2023	Cash Flows	Non Cash Changes	March 31, 2024
Debt Securities	10,183.09	6,600.77	(38.72)	16,745.14
Borrowing other than debt Securities	17,661.69	(5,733.31)	(73.21)	11,855.18
Total	**27,844.78**	**867.46**	**(111.92)**	**28,600.32**

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

Jayendra Patel
Vice Chairman & Managing Director
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Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024.

1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a non-deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI")and according to RBI Notification DoR.FIN.REC.No. 45/03.10.119/2023-24 dated October 19 2023, company is classified as middle layer NBFC ("NBFC-ML"). The Company is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW") and Loan again property ("LAP") to create the underlying assets of SME, TW and mortgage. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

i) Loans at fair value through other comprehensive income ("FVOCI")

ii) Defined benefit plans - plan assets

iii) Investments in liquid marketable debt securities and units of mutual fund

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

Functional and presentation currency

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

2.3 Use of estimates, judgements and assumptions

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

Judgements

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

i) Business model assessment

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

Estimates and assumptions

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

i) Fair value of financial instruments

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

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

ii) Effective interest rate ("EIR") method

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

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

iii) Impairment of financial asset

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

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

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

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

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

For further details on provisions and other contingencies refer note 3.16.

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

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 38.

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

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

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

B. Interest income

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

3.2 Financial instrument - initial recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

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

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

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

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

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

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

SPPI test

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

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

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

Accordingly, financial assets are measured as follows:

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

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

ii) Financial assets measured at FVOCI

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

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

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

iv) Investments in subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.5 Derecognition of financial assets and liabilities

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

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

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

i) Financial assets

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

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

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

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

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

B. Calculation of ECLs

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

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

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

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

- **Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

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

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

A. Dividend income

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

B. Income from assignment transactions

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

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

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

3.9 (II) Recognition of other expense

A. Borrowing costs

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

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after it purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Vehicles - 8 years

iii) Office equipment - 3 to 10 years

iv) Furniture and fixtures - 10 years

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

3.12 Intangible assets

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

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

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

3.13 Impairment of non-financial assets - property, plant and equipment and intangible assets

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

3.14 Corporate guarantees

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

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

3.15 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

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

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

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

Short-term employee benefits

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

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

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

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

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

C. Contingent asset

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

3.17 Taxes

A. Current tax

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

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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

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

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

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

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

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

3.18 Earnings per share

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

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

1 Cash and Cash Equivalents	As at March 31, 2024	As at March 31, 2023
Cash on hand	11.31	8.71
Balance with banks	6,940.95	135.58
Total	**6,952.26**	**144.29**

2 Other Bank Balance	As at March 31, 2024	As at March 31, 2023
In fixed deposit accounts:		
Deposits given as security against borrowings	655.32	833.25
Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	6,226.03	5,500.00
Other Deposits (i.e., free from any encumbrance)	224.17	181.74
Earmarked balances with banks (Refer Note 2.1)	15.58	20.00
Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(141.28)	(139.78)
Total	**6,979.81**	**6,395.20**

2.1 Earmarked balance with banks represents ₹15.58 Lakhs (As at March 31, 2023 ₹20 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.

2.2 Deposits includes deposits of ₹6226.03 Lakhs (P.Y. ₹5500 lakhs) given to bank for Overdraft limits of ₹6010 Lakhs (P.Y. ₹5500 lakhs). Overdraft limits utilized is ₹4124.92 Lakhs

3 Loans	As at March 31, 2024	As at March 31, 2023
At FVOCI:		
Secured by Tangible Asset	7,825.95	6,014.53
Unsecured Loans	34,771.29	25,138.53
Total Loans	**42,597.24**	**31,153.06**
Less: Impairment Loss Allowances	(1,722.09)	(1,324.92)
Less: Interest Due but not Received on Loans and Advances (Note No. 5)	(191.15)	(131.27)
Total	**40,683.99**	**29,696.88**
(1) Loans In India		
Public Sector	-	-
Others	40,683.99	29,696.88
	40,683.99	**29,696.88**
(2) Loans Outside India	-	-
Total	**40,683.99**	**29,696.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at March 31, 2022	**18,597.87**	**440.08**	**1,606.55**	**20,644.49**
New Assets originated*	23,808.46	167.00	118.02	24,093.48
Net transfer between stages				
Transfer from stage 1	(577.21)	146.16	431.05	-
Transfer from stage 2	13.50	(155.34)	141.84	-
Transfer from stage 3	1.65	1.50	(3.15)	-
Assets derecognised or collected	11,905.18	275.46	220.43	12,401.07
Write - offs	57.22	2.97	1,254.91	1,315.10
Carrying amount as at March 31, 2023	**29,881.85**	**320.97**	**818.97**	**31,021.80**
New Assets originated*	32,294.97	242.22	212.83	32,750.02
Net transfer between stages				
Transfer from stage 1	(1,016.18)	268.73	747.45	-
Transfer from stage 2	16.76	(123.60)	106.84	-
Transfer from stage 3	0.92	-	(0.92)	-
Assets derecognised or collected	20,406.94	142.56	112.36	20,661.85
Write - offs	17.17	37.79	648.91	703.88
Carrying amount as at March 31, 2024	**40,754.22**	**527.97**	**1,123.90**	**42,406.09**

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

3.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2022	**390.58**	**133.96**	**1,290.45**	**1,814.99**
Addition During the Year	606.78	87.17	753.40	1,447.36
Reversal During the Year	(390.58)	(133.96)	(1,412.89)	(1,937.43)
ECL Allowances as at March 31, 2023	**606.78**	**87.17**	**630.96**	**1,324.92**
Addition During the Year	856.03	150.20	882.65	1,888.87
Reversal During the Year	(639.32)	(90.24)	(762.14)	(1,491.70)
ECL Allowances as at March 31, 2024	**823.49**	**147.13**	**751.47**	**1,722.09**

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 financial year ended March 31, 2024, the Company has written off (net) ₹279.94 Lakhs. The Total ECL provision of ₹1722.09 Lakhs on Loans and Advances is retained by the company as at March 31, 2024. 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 macroeconomic events. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

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

3.4 Refer Note 35 for Loans to Subsidiary company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

4	Investments (At Cost)	As at March 31, 2024	As at March 31, 2023
	Subsidiary		
	Investment in shares of subsidiary	26,563.20	18,563.20
	Investment in subsidiary on account of:		
	- Corporate financial guarantee given to bank on behalf of subsidiary	1,036.70	867.95
	- Issuance of equity shares to the employees of subsidiary at discount	512.51	90.55
	Investment in Equity Tranche		
	Nil Units (P.Y. - 1,30,41,310 Units) of Roger July 2022 PTC, Face Value of ₹1 Each.	-	122.17
		28,112.41	**19,643.87**
	(1) Investment In India	28,112.41	19,643.87
	(2) Investment outside India	-	-
	Total	**28,112.41**	**19,643.87**

4.1 For the investment in subsidiary entity, the Company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount.

4.2 As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

4.3 Namra Finance Limited (CIN: U65999GJ2012PLC069596) is wholly owned subsidiary Company. The Arman Financial Services Limited has investment in subsidiary company's 4,93,60,000 (As at 31.03.2023, 4,53,60,000) Equity Shares of ₹10/- each fully paid up

5	Other Financial Assets	As at March 31, 2024	As at March 31, 2023
	Interest Due but not Received on Loans and Advances (Note No.3)	191.15	131.27
	Interest Accrued but not due on Bank Deposits (Note No.2)	141.28	139.78
	Deposits	9.11	7.30
	Income Receivable from Direct Assignment	38.55	-
	Advance given for Land Acquisition	1,043.33	-
	Other Advances	1.92	24.13
	Less: Provision on Interest Receivable on Credit Impaired Loans and Advances	(158.61)	(112.20)
	Total	**1,266.73**	**190.29**

5.1 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:

ECL Allowances As at beginning of the year	**112.20**	**257.29**
Addition During the Year	155.88	75.86
Reversal During the Year	(109.46)	(220.95)
ECL Allowances As at end of the year	**158.61**	**112.20**

5.2 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.

6	Current Tax (Net)	As at March 31, 2024	As at March 31, 2023
	Advance Tax and TDS	1,110.05	3,015.60
	Less: Provision for Tax	(1,055.07)	(2,839.50)
	Total	**54.98**	**176.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

7	Deferred Tax	As at March 31, 2024	As at March 31, 2023
A	**Deferred Tax Assets on Account of:**		
	Provision for employee benefits that are allowable for tax purpose in the year of payment	21.33	17.01
	Shares issue expenses that are allowable for tax purpose on deferred basis	3.56	5.03
	Impairment on Financial Assets	416.25	361.69
	Amortisation of Processing Fees Income	101.19	79.27
	Fair valuation of financial instruments through Other Comprehensive Income	17.51	15.21
	Total Deferred Tax Assets	**559.84**	**478.22**
B	**Deferred Tax Liability on Account of:**		
	Deferred in written down value as per Companies Act and Income Tax Act	(5.79)	(4.03)
	Financial liabilities measured at amortised cost	(93.52)	(77.74)
	Direct Assignment Income Receivable -DA	(9.70)	-
	Interest on NPA Receivable	(39.92)	(28.24)
	Total Deferred Tax Liabilities	**(148.93)**	**(110.01)**
	Total Asset/(Liability) (Net)	**410.91**	**368.21**

7.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	As at March 31, 2023	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2024
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	17.01	-	3.65	0.68	21.33
Shares issue expenses that are allowable for tax purpose on deferred basis	5.03	-	(1.47)	-	3.56
Impairment on Financial Assets	361.69	-	54.56	-	416.25
Amortisation of Processing Fees Income	79.27	-	21.91	-	101.19
Fair valuation of financial instruments through Other Comprehensive Income	15.21	-	-	2.30	17.51
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act					
Financial liabilities measured at amortised cost	(4.03)	-	(1.75)	-	(5.79)
Direct Assignment Income Receivable -DA	(77.74)	-	(15.78)	-	(93.52)
Interest Receivable on NPA Assets	-	-	(9.70)	-	(9.70)
Direct Assignment Income Receivable -DA	(28.24)	-	(11.68)	-	(39.92)
Total Asset/(Liability) (Net)	**368.21**	**-**	**39.73**	**2.98**	**410.91**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2022	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	10.05	-	1.35	5.61	17.01
Shares issue expenses that are allowable for tax purpose on deferred basis	0.57	-	4.46	-	5.03
Impairment on Financial Assets	502.03	-	(140.34)	-	361.69
Amortisation of Processing Fees Income	64.87	-	14.40	-	79.27
Fair valuation of financial instruments through Other Comprehensive Income	(18.65)	-	-	33.86	15.21
Provision for CSR	3.84	-	(3.84)	-	-
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(5.72)	-	1.69	-	(4.03)
Financial liabilities measured at amortised cost	(28.61)	-	(49.13)	-	(77.74)
Direct Assignment Income Receivable -DA	-	-	-	-	-
Interest Receivable on NPA Assets	(64.75)	-	36.52	-	(28.24)
Total Asset/(Liability) (Net)	**463.64**	**-**	**(134.90)**	**39.47**	**368.21**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024.

(all Amounts are in ₹ in Lakhs, unless otherwise stated)

8 Property, Plant & Equipment

Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets
At March 31, 2022	**52.23**	**62.35**	**26.33**	**17.01**	**49.07**	**206.99**	**8.05**	**2.62**	**217.66**
Addition	(0.00)	2.99	1.79	0.00	6.72	11.50	3.16	-	14.66
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	2.62	2.62
At March 31, 2023	**52.23**	**65.34**	**28.12**	**17.01**	**55.80**	**218.49**	**11.21**	**-**	**229.70**
Addition	-	8.44	-	85.76	25.71	119.91	4.36	-	124.27
Disposal	-	17.32	8.36	16.72	39.87	82.27	-	-	82.27
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2024	**52.23**	**56.46**	**19.76**	**86.05**	**41.64**	**256.13**	**15.57**	**-**	**271.70**

Accumulated Depreciation	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets
At March 31, 2022	**18.49**	**43.46**	**18.42**	**9.13**	**36.26**	**125.77**	**7.65**	**-**	**133.41**
Change for the year	0.83	3.00	1.70	1.98	5.15	12.65	0.37	-	13.03
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2023	**19.32**	**46.46**	**20.12**	**11.11**	**41.42**	**138.42**	**8.02**	**-**	**146.44**
Change for the year	0.83	3.32	1.66	2.87	9.56	18.24	0.63	-	18.87
Disposal	-	15.49	7.77	11.76	38.07	73.09	-	-	73.09
At March 31, 2024	**20.14**	**34.29**	**14.01**	**2.22**	**12.91**	**83.57**	**8.65**	**-**	**92.22**

Net Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets
At March 31, 2023	**32.91**	**18.88**	**7.99**	**5.90**	**14.38**	**80.07**	**3.19**	**-**	**83.26**
At March 31, 2024	**32.09**	**22.17**	**5.75**	**83.83**	**28.73**	**172.56**	**6.92**	**-**	**179.48**

(a) **Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).

(b) **Contractual Obligations:** Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

9	Other Non - Financial Assets	As at March 31, 2024	As at March 31, 2023
	Prepaid Expenses	14.26	5.47
	Balance with Government Authorities	73.50	6.34
	Advances to staff	2.20	1.30
	Advance to Suppliers	81.09	39.90
	Total	**171.05**	**53.01**

10	Trade Payables	As at March 31, 2024	As at March 31, 2023
	Total outstanding dues of micro enterprises and small enterprises	2.77	-
	Total outstanding dues of other than micro enterprises and small enterprises	35.31	33.72
	Total	**38.08**	**33.72**

10.1 Trade Payable ageing schedule:

As on March 31, 2024	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	2.77	-	35.31
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on March 31, 2023	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	33.72
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

10.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
1	Principal amount payable to suppliers as at year end	-	-
2	Interest due thereon as at year end	-	-
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
4	Amount of delayed payment actually made to suppliers during the year	-	-
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
6	Interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

11	Debt Securities (At Amortised Cost)	As at March 31, 2024	As at March 31, 2023
	Secured Debenture (Refer note 11.2)		
	11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. 300 Unit, P.Y. 300 Unit)	1,000.00	2,000.00
	11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. 2500 Unit, P.Y. 2500 Unit)	2,500.00	2,500.00
	9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. 200 Unit, P.Y. 200 Unit)	2,000.00	2,000.00
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-
	8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.75 Lakh Each (C.Y. 4,900 Unit, P.Y. Nil)	3,675.00	-
	Unsecured Debenture (Refer note 11.2)		
	Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	-	1,047.33
	Less: Unamortised borrowing costs	(290.46)	(251.74)
	Total Debt Securities	16,745.14	10,183.09
	Debt Securities in India	16,745.14	10,183.09
	Debt Securities Outside India	-	-
	Total	**16,745.14**	**10,183.09**

11.1 In respect of Liability Component of Compound Financial Instrument - Compulsorily Convertible Debentures Refer Note 18.2.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

11.2 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:

Particular	As at March 31, 2024	As at March 31, 2023	Terms of Redemption / Repayment	Security
11.80% Secured, Redeemable, Non Convertible Debenture of ₹3.3 Lakh (P.Y. ₹6.7 Lakh) Each (C.Y. 300 Unit, P.Y. 300 Unit)	1,000.00	2,000.00	33.33% on 31-12-2022, 33.33% on 31-12-2023 & Remaining 33.34% Payment at the end of 34 Months From 23-03-2022	Secured Under Hypothecation of Specific Assets Portfolio
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	-	1,047.33	24% on 30-06-2023, 25% on 30-09-2023, 26% on 31-12-2023 & Remaining 25% Payment at the end of 18 Months From 28-09-2022	-
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. 200 Unit, P.Y. 200 Unit)	2,000.00	2,000.00	100% on 04-04-2024 and Remaining Bullet Payment at the end of 18 Months From 04-10-2022	Secured Under Hypothecation of Specific Assets Portfolio
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. 2,88,750 Unit)	2,887.50	2,887.50	99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. 2500 Unit, P.Y. 2500 Unit)	2,500.00	2,500.00	100% on 27-07-2024 and Remaining Bullet Payment at the end of 18 Months From 24-01-2023	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
12.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,48,655 Unit, P.Y. Nil)	2,486.55	-	99.99% on 11-04-2026 and Remaining Bullet Payment at the end of 54 Months From 11-04-2023	Secured Under Hypothecation of Specific Assets Portfolio
8.82% Secured, Redeemable, Non Convertible Debenture of ₹0.75 Lakh Each (C.Y. 4,900 Unit, P.Y. Nil)	3,675.00	-	Repayable in 8 quarterly installments starting from 19-10-2023	Secured Under Hypothecation of Specific Assets Portfolio
Total Debt Securities	**17,035.60**	**10,434.83**		

12

Borrowings (at Amortized Cost)	As at March 31, 2024	As at March 31, 2023
Term Loans		
Secured		
From Banks	933.33	1,540.25
From Financial Institutions	6,867.52	9,333.61
Loans repayable on demand from banks	10.54	633.19
Overdraft from banks - Secured against Fixed Deposit	4,124.92	5,198.66

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Borrowings (at Amortized Cost)	As at March 31, 2024	As at March 31, 2023
Loans from Related Parties		
Inter Corporate Deposits - Unsecured	-	1,013.14
Less: Unamortised borrowing costs	(81.14)	(57.15)
Total Borrowings	**11,855.18**	**17,661.69**
Borrowings in India	11,855.18	17,661.69
Borrowings Outside India	-	-
Total	**11,855.18**	**17,661.69**

12.1 Security:

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". And refer note 33 for Loans from related parties.

12.2 Interest:

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 10% to 14.25% p.a.

Inter Corporate Deposits carries interest rate @12% p.a.

The Company has not defaulted in repayment of borrowings and interest.

12.3 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

12.4 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Borrowings (Other than Debt Securities) from banks				
Term Loan From Bank-1	-	285.71	Repayable in 24 monthly installments starting from 10 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-2	600.00	1,254.55	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Term Loan From Bank-3	333.33	-	Repayable in 24 monthly installments starting from 07 June 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Total Borrowings From Banks	**933.33**	**1,540.25**		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	10.54	633.19	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Over Draft Facility From Bank 2	62.57	-	-	Secured by a first and exclusive charge Bank Deposits
Over Draft Facility From Bank 3	2,515.96	2,832.66	-	Secured by a first and exclusive charge Bank Deposits
Over Draft Facility From Bank 4	1,546.39	2,365.99	-	Secured by a first and exclusive charge Bank Deposits
Total Loans repayable on demand from banks	**4,135.47**	**5,831.84**		
Borrowings (Other than Debt Securities) from financial institution				
Term Loan From Financial Institution 1	-	145.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 2	-	145.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 3	-	408.29	Repayable in 30 monthly installments starting from 06 August 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 4	50.70	477.08	Repayable in 30 monthly installments starting from 30 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 5	-	125.00	Repayable in 24 monthly installments starting from 04 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 6	-	125.00	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 7	-	130.43	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 8	-	285.71	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 9	-	285.71	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 10	126.39	243.06	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 11	54.17	104.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 12	126.39	243.06	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 13	54.17	104.17	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution 14	-	1,259.54	Repayable in 18 monthly installments starting from 01 August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 15	142.86	428.57	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 16	142.86	428.57	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 17	487.50	900.00	Repayable in 24 monthly installments starting from 28 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 18	850.67	1,200.00	Repayable in 36 monthly installments starting from 31 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
PTC with Financial Institution 19	827.16	2,293.58	Repayable in 21 monthly installments starting from 16 March 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 20	870.83	-	Repayable in 24 monthly installments starting from 01 July 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 21	2,272.72	-	Repayable in 36 monthly installments starting from 27 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 22	430.56	-	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 23	430.56	-	Repayable in 36 monthly installments starting from 30 September 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Borrowings From Financial Institution	**6,867.52**	**9,333.61**		

13	Subordinated Liabilities (At Cost)	As at March 31, 2024	As at March 31, 2023
	Liability component of Optionally Convertible Redemption Preference Shares (Refer Note 18.2)		
	10% OCRPS issued at face value at ₹10 each on 28th September 2022 (P.Y. 3,10,972)	-	3,858.45
	Unsecured:		
	15%, Unsecured Subordinated Term Loan in India	500.00	500.00
	Unsecured Subordinated Debt outside India	-	-
	Total	**500.00**	**4,358.45**

13.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities:

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank	500.00	500.00	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

14	Other Financial Liabilities	As at March 31, 2024	As at March 31, 2023
	Interest accrued but not due on Borrowings	1,056.07	280.71
	Interest Payable on CCD	-	180.65
	Payable to Employees	4.77	134.80
	Security deposits received from Borrowers	28.06	27.92
	Insurance Payable	116.33	87.92
	CSR expenses payable	8.26	8.26
	Other Expenses Payable	52.89	9.40
	Unpaid dividend	7.32	11.74
	Payable toward assignment and transactions	137.43	12.72
	Total	**1,411.12**	**754.11**

14.1 Unpaid dividend outstanding as on March 31, 2024 is not due for transfer to investor education and protection fund by the Company.

15	Provisions	As at March 31, 2024	As at March 31, 2023
	Provisions for employee benefits - Gratuity	84.76	67.58
	Total	**84.76**	**67.58**

16	Other Non Financial Liabilities	As at March 31, 2024	As at March 31, 2023
	Other statutory dues	25.02	17.00
	TDS payable	169.00	146.92
	Financial Guarantee (Liability)	495.14	592.25
	Total	**689.16**	**756.18**

17	Equity Share Capital	As at March 31, 2024	As at March 31, 2023
	Authorized Shares		
	1,40,00,000 Equity Shares of ₹10/- each (As at March 31, 2023: 1,40,00,000 Equity Shares of ₹10/- each)	1,400.00	1,400.00
	Total	**1,400.00**	**1,400.00**
	Issued, subscribed and fully paid-up shares:		
	1,04,76,774 Equity Shares of (As at March 31, 2023: 84,92,334 Equity Shares) of ₹10/- each fully paid up (Ordinary)	1,047.68	849.23
	Total	**1,047.68**	**849.23**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital As at March 31, 2024 & As at March 31, 2023, is set out below:

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹In Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	8,492,334	849.23	8,491,584	849.16
Issued during the year	1,984,440	198.44	750	0.08
Outstanding at the end of the year	**10,476,774**	**1,047.68**	**8,492,334**	**849.23**

17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2024		March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	427,937	4.08%	427,937	5.04%
Ritaben Patel	436,089	4.16%	436,089	5.14%
Mukul Agrawal	400,000	3.82%	400,000	4.71%
Elevation Capital V Limited	1,448,740	13.83%	1,890,417	22.26%
Namra Holdings & Consultancy Services LLP	948,308	9.05%	948,308	11.17%

17.3 Details of Promotors Shareholding of ordinary shares of the company are as follows:

Promoters Name	March 31, 2024		March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	427,937	4.08%	427,937	5.04%
Jayendrabhai Patel HUF	196,000	1.87%	196,000	2.31%
Amit Rajnikant Mankiwala	10,000	0.10%	11,972	0.14%
Ritaben Patel	436,089	4.16%	436,089	5.14%
Himani Amit Mankiwala	6,479	0.06%	8,979	0.11%
Aalok Jayendrabhai Patel	247,809	2.37%	247,809	2.92%
Maulik Amit Mankiwala	800	0.01%	800	0.01%
Sajni Aalok Patel	41,316	0.39%	41,316	0.49%
Namra Holdings and Consultancy Services LLP	948,308	9.05%	948,308	11.17%

17.4 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 41.

17.5 Terms / rights attached to equity shares

(i) In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

(ii) In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

18	Other Equity (Refer Note 18.1)	As at March 31, 2024	As at March 31, 2023
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	154.35	144.35
	Add: Transfer from statement of profit and loss	10.00	10.00
	Closing Balance	**164.35**	**154.35**
	ii. Special Reserve u/s 45-IC of the RBI Act, 1934		
	Balance as per last financial statement	2,093.00	1,525.00
	Add: Transfer from statement of profit and loss	758.00	568.00
	Closing Balance	**2,851.00**	**2,093.00**
	iii. Securities Premium		
	Balance as per last financial statement	6,909.18	6,903.77
	Add: Share Premium on shares issued during the year	33,021.84	5.41
	Less: Share Issue Expenses	699.80	-
	Closing Balance	**39,231.22**	**6,909.18**
	iv. Share Based Payment Reserve		
	Balance as per last financial statements	23.75	11.59
	Add/(Less): Stock option expenditure for the year	661.43	17.27
	Less: amount transferred towards option expired unexercised	19.19	-
	Less: Reversal of ESOP reserve on exercised option of stock option	8.72	5.11
	Closing Balance	**657.27**	**23.75**
	v. Surplus in the Statement of Profit and Loss		
	Balance as per last financial statement	6,587.37	4,607.74
	Add: Profit for the year	3,789.81	2,836.15
	Less: Appropriations		
	Amount transfer to General Reserve	(10.00)	(10.00)
	Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(758.00)	(568.00)
	Reversal of Corporate Guarantee due to closure of loan of subsidiary company	-	(278.52)
	Closing Balance	**9,609.18**	**6,587.37**
	B. Other Comprehensive Income		
	Balance as per last financial statement	(63.66)	53.69
	Additions during the year	(8.85)	(117.35)
	Closing Balance	**(72.51)**	**(63.66)**
	C. Equity Component of Financial Instruments		
	i. Equity Component of Compulsory Convertible Debentures		
	Balance as at the beginning of the period	6,146.73	-
	Transactions with owners in their capacity as owners	-	6,146.73
	Transferred to liability component	(7.41)	-
	Transferred to Security Premium	(6,139.32)	-
	Closing Balance	**-**	**6,146.73**
	ii. Equity component of Optionally Convertible Redeemable Preference shares		
	Balance as at the beginning of the period	236.33	-
	Transactions with owners in their capacity as owners	-	236.33
	Transferred to Security Premium	(236.33)	-
	Closing Balance	**-**	**236.33**
	Total	**52,440.51**	**22,087.05**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

18.1 NATURE AND PURPOSE OF RESERVE

1 Reserve u/s 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Surplus in the statement of profit and loss:

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 FVOCI - loans and advances:

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 FVOCI - Remeasurement of the defined benefit liabilities:

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 General reserve:

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 Share Based Payment Reserve:

The Stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

18.2 Disclosures in relation to Compound Instruments:

1 Term of conversion of Compulsory Convertible Debenture

The CCDs shall be converted into equity shares on the earlier of following events:

(i) the Investor electing to convert the CCDs into equity shares by issuing a conversion notice to the Company; and

(ii) the date of expiry of 18 (eighteen) months from the date of allotment of CCDs (28th September 2022).

It shall be convertible into equity shares at a conversion price of ₹1,230/- per share at a price being not lower than the minimum price calculated under the SEBI Regulations.

2 Disclosures for Optionally Convertible Redeemable Preference shares

	Preference Share Capital	As at March 31, 2024	As at March 31, 2023
A	**Authorized Shares**		
	10,00,000 Preference Shares of ₹10/- each (As at March 31, 2023: 10,00,000 Preference Shares of ₹10/- each)	100.00	100.00
	Total	**100.00**	**100.00**
B	**Issued, subscribed and fully paid-up shares:**		
	Nil Preference Shares of ₹10/- each (As at March 31, 2023: 3,10,972 Preference Shares of ₹10/- each)	-	31.10
	Total	**-**	**31.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

C The reconciliation of no. of preference shares outstanding & amount of preference share capital as at March 31, 2024 & March 31, 2023 is set out below:

Ordinary Preference Shares:	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Outstanding at the beginning of the year	310,972	31.10	Nil	-
Issued during the year	Nil	-	310,972	31.10
Converted during the year	310,972	31.10	Nil	-
Outstanding at the end of the year	**Nil**	**-**	**310,972**	**31.10**

D Details of shareholders holding more than 5 % of preference shares of the Company are as follows:

Class of shares / Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
RRM Enterprises Private Limited	-	0.00%	81,300	26.14%
Sandeep Kapadia	-	0.00%	40,650	13.07%
Amlan Hasmukh Shah	-	0.00%	40,650	13.07%
Rajiv Narpatmal Bhandari	-	0.00%	24,390	7.84%
Parth Rajiv Desai	-	0.00%	22,357	7.19%
Rajiv Arvind Desai	-	0.00%	20,325	6.54%
Sudha J Zaveri	-	0.00%	16,260	5.23%

E Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

Particulars	March 31, 2024	March 31, 2023
Equity shares reserved for issue under option	Nil	3,10,972

F Terms / rights attached to preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as prescribed under the provisions of the Companies Act, 2013 and/or the Articles. The preference share shall carry a cumulative right of dividend at a fixed amount of ₹123/- (Indian Rupees One Hundred and Twenty Three only) per annum out of the profits of the Company and the payment of such dividend shall have priority over any dividend rights of the equity shares of the Company. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. The OCRPS shall not be entitled to participate in the surplus funds, surplus assets and profits of the Company on winding up, which may remain after the entire capital has been repaid.

G Terms of conversion attached to Optionally Convertible Redeemable Preference shares

The OCRPS, upon issue, will be convertible into equivalent number of equity shares of ₹10/- (Indian Rupees Ten only) at the option of the Proposed Allottee within a period not exceeding 18 (eighteen) months from the Allotment Date (i.e., 28th September 2022). The right to seek conversion of the OCRPS can be exercised by the Proposed Allottee, at its discretion, in respect of all or some OCRPS held by it.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

H Terms of redemption of preference shares

In the event the Allottee chooses not to convert the OCRPS within 18 (eighteen) months from the Allotment Date, such OCRPS will be redeemed in the following manner:

(i) At the option of the Proposed Allottee, all or some of the OCRPS can be redeemed, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 18 (eighteen) months from the Allotment Date.

(ii) If the option under (i) has not been exercised by the Proposed Allottee, then, all or some of the OCRPS can be redeemed at the option of the Proposed Allottee, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 24 (twenty four) months from the Allotment Date.

(iii) If the option under (i) or (ii) has not been exercised by the Proposed Allottee, then, all but not less than all of the OCRPS shall be compulsorily redeemed by the Company, within a period of 30 (thirty) days from the expiry of 36 (thirty six) months from the Allotment Date.

19 Interest Income

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest income based on effective interest method	11,679.23	-	8,708.15	-
Interests on Deposits as Security	-	578.42	-	182.84
Interests on Others	-	199.69	-	179.48
Total	**11,679.23**	**778.11**	**8,708.15**	**362.32**
Total Interest		**12,457.35**		**9,070.48**

20 Fees and Commission Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loan Processing fees Income	316.82	235.17
Other Fees and Charges	96.29	87.07
Total Interest	**413.10**	**322.24**

21 Net Gain on Fair Value Changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on Sale of Current Investment	266.03	46.52
Total Interest	**266.03**	**46.52**

22 Gain On Assignment of Financial Assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain On Assignment of Assets (Net of Expense)	214.76	-
Total Interest	**214.76**	**-**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

23 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income on Financial Guarantee given to banks on behalf of Subsidiary	265.87	174.79
Total	**265.87**	**174.79**

24 Finance Costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Borrowings	1,932.65	1,481.32
Interest on Debt Securities	1,863.34	1,189.72
Interest on Subordinated Liabilities	75.21	75.00
Other interest expense	365.97	168.63
Other Borrowing Costs	319.39	155.12
Total	**4,556.55**	**3,069.78**

25 Impairment of financial instruments

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bad debts written off & (Recovery)	279.94	845.17
Expected Credit Loss Provision (Net)	443.59	(635.16)
Total	**723.53**	**210.01**

25.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

26 Employee Benefit Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	2,269.55	1,634.56
Contribution to provident and other funds	124.40	93.32
Gratuity	20.00	12.80
Staff welfare expenses	44.18	24.55
Total	**2,458.13**	**1,765.22**

26.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹124.40 lakhs (Year ended March 31, 2023: ₹93.32 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

b) Defined benefit plan:

Financial assets not measured at fair value:

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date. The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

The status of gratuity plan required under Ind AS 19 is an under:

	Reconciliation of opening and closing balances of defined benefit obligation	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Opening Defined Benefit Obligation**	67.60	40.05
	Transfer in/(out) obligation	-	-
	Current service cost	15.64	10.58
	Interest cost	4.40	2.30
	Components of actuarial gain/losses on obligations:		
	Due to Change in financial assumptions	0.60	(3.00)
	Due to change in demographic assumption	-	-
	Due to experience adjustments	2.06	25.08
	Past service cost	-	-
	Loss (gain) on curtailments	-	-
	Liabilities extinguished on settlements	-	-
	Liabilities assumed in an amalgamation in the nature of purchase	-	-
	Exchange differences on foreign plans	-	-
	Benefits paid	(5.52)	(7.41)
	Closing Defined Benefit Obligation	**84.77**	**67.60**

	Reconciliation of plan assets	For the year ended March 31, 2024	For the year ended March 31, 2023
II	Opening value of plan assets	0.01	0.12
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.03	0.08
	Return on plan assets excluding amounts included in interest income	(0.03)	(0.19)
	Assets Distributed on settlements	-	-
	Contribution by the company	-	-
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	-	-
	Fair value of plan assets at the end of the year	**0.01**	**0.01**

	Reconciliation of net defined benefit liability	For the year ended March 31, 2024	For the year ended March 31, 2023
III	Net opening provision in books of accounts	67.58	39.93
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per note 26	20.00	12.80
	Amounts recognized in Other Comprehensive Income	2.69	22.28
	Total	**90.28**	**75.00**
	Benefits paid by the Company	(5.52)	(7.41)
	Contributions to plan assets	-	-
	Closing provision in books of accounts	**84.76**	**67.58**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

IV	Composition of plan assets	For the year ended March 31, 2024	For the year ended March 31, 2023
	Government of India Securities	0%	0%
	High quality corporate bonds	0%	0%
	Equity shares of listed companies	0%	0%
	Property	0%	0%
	Policy of Insurance	100%	100%
	Total	**100%**	**100%**

V	Expense recognised during the year	For the year ended March 31, 2024	For the year ended March 31, 2023
	Current service cost	15.64	10.58
	Interest cost	4.36	2.22
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	**20.00**	**12.80**

VI	Other comprehensive income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Components of actuarial gains/losses on obligations:		
	Due to change in financial assumptions	0.60	(3.00)
	Due to change in demographic assumption	-	-
	Due to experience adjustments	2.06	25.08
	Return of plan assets excluding amounts included in interest income	0.03	0.19
	Components of defined benefits cost/(income) recognised in other comprehensive income	**2.69**	**22.28**

VII	Principal actuarial assumptions	For the year ended March 31, 2024	For the year ended March 31, 2023
	Discount rate (per annum)	7.15%	7.30%
	Rate of return on plan assets (per annum)	7.36%	8.00%
	Annual increase in salary cost	6.00%	6.00%
	Withdrawal rates per annum		
	25 and below	25%	25%
	26 to 35	25%	25%
	36 to 45	20%	20%
	46 to 55	10%	10%
	56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

VIII Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	86.84	82.81	69.23	66.04
(% change compared to base due to sensitivity	2.44%	-2.32%	2.42%	-2.30%
Salary growth rate (- / + 0.5%)	82.78	86.85	66.02	69.24
(% change compared to base due to sensitivity	-2.35%	2.45%	-2.33%	2.43%
Withdrawal rate (W.R.) (W.R.*x 90% / W.R.x 110%)	86.05	83.53	68.44	66.74
(% change compared to base due to sensitivity	1.50%	-1.47%	1.26%	-1.26%

IX Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

X Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.92 years.

Years	Cash flows (₹ Lakhs)	Distributions (%)
1st Following year	18.41	14.30%
2nd Following year	10.48	8.10%
3rd Following year	10.19	7.90%
4th Following year	10.04	7.80%
5th Following year	9.52	7.40%
Sum of years 6 to 10	38.38	29.70%

The future accrual is not considered in arriving at the above cash-flows.

XI The expected contribution for the next year is ₹24.88 lakhs

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

27 Depreciation and Amortisation

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, Plant & Equipment	18.24	12.65
Amortisation of Intangible Asset	0.63	0.37
Total	**18.87**	**13.03**

28 Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity & fuel charges	20.85	13.91
Repairs to Building	8.52	15.67
Insurance	10.45	7.20
Collection Expense	70.09	50.55
Rent (Refer Note 33)	104.21	76.85
Rates & taxes	21.82	22.96
Bank Charges	21.54	14.09
Stationery & printing	32.74	29.84
Advertisement expenses	1.05	0.87
Communication	18.53	19.38
Traveling & conveyance expenses	276.06	173.22
Professional fees	171.54	158.79
Loss on Disposal of Property, Plant & Equipment	3.57	-
Auditor's Remuneration*		
Audit fees	8.72	8.72
For Others	3.74	3.60
For Certification	-	0.32
	12.46	**12.63**
Corporate social responsibility expenditure (Refer Note 32)	40.86	30.91
Director sitting fees	6.63	6.46
Marketing & incentive expenses	118.37	88.88
General charges (including security charges & membership fees etc.)	85.71	74.82
Total	**1,025.00**	**797.04**

* Audit remuneration for special purpose audit assignment for Qualified Institutions Placement (Equity Issue) of ₹23.45 Lakhs is directly provided in Security Premium as cost of equity.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

29 Tax Expenses

The Components of income tax expense for the Year ended March 31, 2024 and Year ended March 31, 2023 are:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax	1,049.30	787.90
Adjustment in respect of current tax of prior years	35.65	-
Deferred tax	(39.73)	134.90
Total Tax Expense	**1,045.22**	**922.80**
Total tax charge		
Current Tax	1,084.95	787.90
Deferred Tax	(39.73)	134.90

29.1 Reconciliation of the total tax charge

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax expense	4,835.03	3,758.95
Income tax rate %	25.17%	25.17%
Computed tax expense	**1,216.88**	**946.05**
Tax effect of:		
Exempted Items	(78.59)	(7.47)
Additional deduction	(497.26)	(150.29)
Non Deductible items	307.30	157.75
Adjustment on Account of Change in Tax Rate	(1.06)	1.69
Others	97.95	(24.93)
Tax expense Recognised in the Statement of Profit and Loss	**1,045.22**	**922.80**
Difference	-	-
Effective Tax Rate	**21.62%**	**24.55%**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

30 Earning Per Share:

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Numerator used for calculating Basic Earning per share (PAT)	In ₹	3,789.81	2,836.15
Dilutive impact of Employee Share Options Scheme	In ₹	-	-
Dilutive impact of Compulsorily Convertible Debentures	In ₹	-	73.54
Dilutive impact of Optionally Convertible Redeemable Preference Shares	In ₹	-	-
Numerator used for calculating Diluted Earning per share (PAT)	In ₹	3,789.81	2,909.69
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	8,900,944	8,492,237
Effect of dilution:			
Dilutive impact of Employee Share Options Scheme	Shares	103,641	4,038
Dilutive impact of Compulsorily Convertible Debentures	Shares	-	316,471
Dilutive impact of Optionally Convertible Redeemable Preference Shares	Shares	-	-
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	**9,004,585**	**8,812,746**
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	42.58	33.40
Diluted earnings per share	In ₹	42.09	33.02

30.1 Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

(₹ In Lakhs)

Ratio	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR	Tier II CRAR	Liquidity Coverage Ratio
Numerator	Tier 1 & 2 Capital	Tier 1 Capital	Tier 2 Capital	Highly Liquid Assets
Denominator	Risk weighted Assets	Risk weighted Assets	Risk weighted Assets	Total net cash outflows over the next 30 days
Year ended March 31, 2024				
Numerator	30,880.27	30,264.98	615.28	9,277.53
Denominator	49,222.77	49,222.77	49,222.77	2,477.36
Ratio	62.74%	61.49%	1.25%	374.49%
Year ended March 31, 2023				
Numerator	10,992.35	5,846.29	5,146.07	627.37
Denominator	33,704.90	33,704.90	33,704.90	1,151.57
Ratio	32.61%	17.35%	15.27%	54.48%
% Variance	92.36%	254.48%	-91.81%	587.40%
Reason for variance (if above 25%)	Mainly, Tier I capital is increased as company has raised equity from QIPs in December 2023.	Tier I Capital is increased due to equity fund raising and conversion of CCDs & OCRPSs to equity shares.	Tier II Capital of CCD & OCPRS is reduced as these were converted into equity shares in March 2024.	Highly Liquid Asset is increased due to available liquid bank balance which is raised in QIP equity issue.

The quarterly details on liquidity risk is uploaded on the website of the Company at www.armanindia.com -> Investor Relationship -> Other Disclosure

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

31 Contingent liabilities not provided for and Commitments:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Contingent liabilities		
Guarantees given on behalf of subsidiary company: (Refer note below)		
Amount of guarantees	78,280.00	48,280.00
Amount of loans outstanding	43,955.14	38,212.19
(B) Disputed Demand of Tax		
i) Income Tax Act (Company has paid under protest ₹148.56 Lakhs (P.Y. ₹177.78 Lakhs), which is shown under "Current Tax Liability (net) / Current Tax Asset (net)"	787.33	613.24
ii) TDS	-	-
(C) Commitments:		
Land Acquisition	1,171.00	-

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.

32 Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR is ₹40.86 Lakhs (March 31, 2023: ₹30.91 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Sr. No.	Particulars	In Cash	Transferred to unspent CSR a/c U/s 135(6)	Yet to be paid in Cash	Total
1	Construction/ acquisition of assets	-	-	-	-
2	Other purpose (Other than 1 above)	40.86	-	-	40.86

Reason for shortfall in current year: NA

Nature of CSR activities: To provide financial support for construction of hospital & philanthropic support to the needy people of the society.

33 Leasing Arrangements:

The company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. All lease agreements are cancellable at the discretion of the lessee i.e. The company by serving a notice to the lessor and hence there are no obligation or commitments with reference to such short-term lease as at reporting date.

Amount Recognized in Profit & loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses related to Short Term Lease	104.21	76.85

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

34 Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Subsidiary

Namra Finance Limited

B) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

Mr. Jaimish Patel (Company Secretary)

C) Non-Executive Directors and Relatives of Key Managerial Personnel

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Year Ended March 31, 2024 (₹ in Lakhs)				
	Subsidiary	Key Managerial Personnel	Other Directors and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Income					
Corporate Financial Guarantee Income	265.87	-	-	-	265.87
Interest Income	187.44	-	-	-	187.44
Expenses					
Remuneration & perquisites Paid	-	70.87	-	-	70.87
Sitting fees	-	-	6.63	-	6.63
Interest expenses	19.75	40.33	52.67	85.87	198.61
Rent paid	-	-	0.21	-	0.21
Investment in Equity Shares	8,000.00	-	-	-	8,000.00
Unsecured Loan					
Unsecured Loan Taken	3,074.84	346.40	394.82	689.46	4,505.52
Unsecured Loan Repaid (Including Interest)	4,107.73	386.72	447.49	775.33	5,717.27
Unsecured Loan Given	25,804.78	-	-	-	25,804.78
Unsecured Loan Given Received Back (Including interest)	25,992.21	-	-	-	25,992.21
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹27,373.89 lakhs)	37,500.00	-	-	-	37,500.00

Particulars	Year Ended March 31, 2023 (₹ in Lakhs)				
	Subsidiary	Key Managerial Personnel	Other Directors and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Income					
Corporate Financial Guarantee Income	174.79	-	-	-	174.79
Interest Income	179.48	-	-	-	179.48
Expenses					
Remuneration & perquisites Paid	-	67.59	-	-	67.59
Sitting fees	-	-	6.43	-	6.43
Interest expenses	20.81	25.78	41.12	80.91	168.63
Rent paid	-	-	0.21	-	0.21
CSR Expenses	-	-	-	30.91	30.91
Investment in Equity Shares	9,997.11	-	-	-	9,997.11
Unsecured Loan					
Unsecured Loan Taken	11,498.88	358.58	346.84	2,504.71	14,709.01

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	Year Ended March 31, 2023 (₹ in Lakhs)				
	Subsidiary	Key Managerial Personnel	Other Directors and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Unsecured Loan Repaid (Including Interest)	10,504.47	384.36	387.96	2,585.62	13,862.42
Unsecured Loan Given	44,453.14	-	-	-	44,453.14
Unsecured Loan Given Received Back (Including interest)	44,632.62	-	-	-	44,632.62
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹35,000 lakhs)	39,780.00	-	-	-	39,780.00

F) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

i. Unsecured Loans Given and Repayments

Unsecured loan Given (₹ In Lakhs)

SRN	Name of relative	2023-24	2022-23
1	Namra Finance Limited	25,804.78	44,453.14

Unsecured loan Given Received Back (₹ In Lakhs)

SRN	Name of relative	2023-24	2022-23
1	Namra Finance Limited	25,992.21	44,632.62

ii. Unsecured Loans Taken and Repayments

Unsecured loan taken (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Aakash Patel (HUF)	232.72	210.24
2	Aalok Jayendra Patel	8.97	106.62
3	Aalok Jayendra Patel (HUF)	2.07	2.07
4	Jayendra Bhailal Patel	337.43	251.96
5	Jayendra Bhailal Patel (HUF)	26.73	24.23
6	Namra Holding & Consultancy Services LLP	656.30	2,474.30
7	Namra Finance Limited	3,074.84	11,498.88
8	Raaj Enterprise	33.16	30.41
9	Ritaben Patel	133.30	110.30

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Unsecured Loan Repayments: (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Aakash Patel (HUF)	264.29	238.48
2	Aalok Jayendra Patel	10.16	107.49
3	Aalok Jayendra Patel (HUF)	2.36	2.35
4	Jayendra Bhailal Patel	376.57	276.87
5	Jayendra Bhailal Patel (HUF)	30.29	27.42
6	Namra Holding & Consultancy Services LLP	737.73	2551.26
7	Namra Finance Limited	4,107.73	10504.47
8	Raaj Enterprise	37.60	34.36
9	Ritaben Patel	150.56	119.71

iii. Income

Corporate Financial Guarantee Income (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Namra Finance Limited	265.87	174.79

Interest Income (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Namra Finance Limited	187.44	179.48

iv. Expenses

Interest expenses (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Interest expenses	31.56	28.24
2	Aalok PATEL	1.19	0.87
3	Aalok PATEL (HUF)	0.29	0.28
4	Jayendra Patel	39.14	24.91
5	Jayendra Patel (HUF)	3.56	3.19
6	Namra Holdings & Consultancy Services LLP	81.43	76.96
7	NAMRA Finance Limited	19.75	20.81
8	Raaj Enterprise	4.44	3.95
9	Ritaben Patel	17.26	9.41

Remuneration and perquisites (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Aalok Jayendra Patel	10.38	10.19
2	Jaimish Govindbhai Patel	11.74	10.83
3	Jayendra Bhailal Patel	21.21	20.04
4	Vivek Arun Modi	27.53	26.53

The remuneration of key management personnels are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Sitting fees Paid (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Alok Prasad	2.08	2.13
2	Geeta Solanki	0.85	0.83
3	Ramakant Nagpal	1.48	1.33
4	Ritaben Patel	1.00	0.75
5	Yash Shah	1.23	1.40

Rent paid (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	J. B. Patel & Co.	0.21	0.21

CSR Expenses (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Arman Foundation	-	30.91

v. Investments in subsidiary during the year (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Namra Finance Limited	8,000.00	9,997.11

vi. Corporate Guarantee Given for loan taken by subsidiary during the year (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Namra Finance Limited	37,500.00	39,780.00

G) Outstanding balances with related parties in ordinary course of business

i. Outstanding Credit Balance of Salary Payables as Follows (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Jayendra Patel	-	1.22
2	Aalok Patel	-	0.69
3	Vivek Modi	-	0.69
4	Jaimish Patel	-	0.84

ii. Outstanding Credit Balance of Related Parties are as follows (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Namra Finance Limited	-	1,013.14

iii. Investments in subsidiary company# (₹ In Lakhs)

SRN	Name of Relative	2023-24	2022-23
1	Namra Finance Limited	28,112.41	19,521.70

#Including investments on account of: (a) Corporate financial guarantee given to bank on behalf of subsidiary (b) Issuance of equity shares to the employees of subsidiary at discount

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

H) Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows: (₹ In Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Post-employment benefits	5.25	7.78
Share Based Payment	37.43	0.00
Total	**42.68**	**7.78**

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

37 Public Disclosure on Liquidity Risk for the year ended March 31, 2024 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (₹ in Lakhs)*	% of Total Deposits	% of Total liabilities³
As at March 31, 2024	14	25,373.11	0%	80.05%
As at March 31, 2023	21	28,705.70	0%	84.12%

*Includes securitization liabilities exposure

(ii) Top 20 large deposits

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 20 large deposits	-	-
Percentage of amount of top 20 large deposits to total deposits	-	-

Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 10 borrowings*	22,437.61	21,227.20
Percentage of amount of top 10 borrowings to total borrowings	76.13%	65.29%

*Includes securitization liabilities exposure

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

(iv) Funding concentration based on significant instrument/product[2] (₹ In Lakhs)

Sr. No.	Name of the instrument/product	As at March 31, 2024		As at March 31, 2023	
		Amount	% of Total Liabilities[3]	Amount	% of Total Liabilities[3]
1	Non-Convertible Debentures	16,745.14	53.46%	9,135.76	27.02%
2	Compulsory Convertible Debentures (Liability Component)	0.00	0.00%	1,047.33	3.10%
3	Term Loan from Banks	927.61	2.96%	1,540.25	4.55%
4	Term Loan from Financial Institutions	5,964.93	19.04%	5,723.34	16.93%
5	Term Loan from Other Parties	0.00	0.00%	1,013.14	3.00%
6	Securitization Liabilities	827.16	2.64%	3,553.12	10.51%
7	Subordinated Debts	500.00	1.60%	4,358.45	12.89%
8	Short Term Funding	4,135.47	13.20%	5,831.84	17.25%

(v) Stock ratios: (₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2024			As at March 31, 2023		
		As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets	As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets
(a)	Commercial papers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b)	Non-convertible debentures (remaining maturity of less than one year)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c)	Other short-term liabilities[5]	59.60%	55.37%	20.45%	60.52%	55.76%	33.22%

***Notes:**

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4. Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
5. Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.
6. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2024 and March 31, 2023.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

38. The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

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

Particulars	Note No.	As at March 31, 2024			As at March 31, 2023		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	6,952.26	-	6,952.26	144.29	-	144.29
Bank Balance other than above	2	6,931.29	48.52	6,979.81	6,019.93	375.28	6,395.20
Loans	3	25,923.92	14,760.07	40,683.99	18,707.57	10,989.31	29,696.88
Investments	4	420.70	27,691.71	28,112.41	328.42	19,315.45	19,643.87
Other Financial assets	5	1,266.45	0.28	1,266.73	189.09	1.20	190.29
Non-financial Assets							
Current tax assets (Net)	6	54.98	-	54.98	176.10	-	176.10
Deferred tax Assets (Net)	7	410.91	-	410.91	368.21	-	368.21
Property, Plant and Equipment	8	-	172.56	172.56	-	80.07	80.07
Other Intangible assets	8	-	6.92	6.92	-	3.19	3.19
Other non-financial assets	9	171.05	-	171.05	53.01	-	53.01
Total Assets		**42,131.56**	**42,680.07**	**84,811.63**	**25,986.61**	**30,764.50**	**56,751.11**
LIABILITIES AND EQUITY							
Financial Liabilities							
Trade Payables	10	38.08	-	38.08	33.72	-	33.72
Debt Securities	11	7,810.89	8,934.25	16,745.14	1,861.91	8,321.17	10,183.09
Borrowings (Other than Debt Securities)	12	9,031.64	2,823.53	11,855.18	14,182.42	3,479.27	17,661.69
Subordinated Liabilities	13	500.00	-	500.00	3,858.45	500.00	4,358.45
Other financial liabilities	14	1,287.41	123.71	1,411.12	598.34	155.77	754.11
Non-Financial Liabilities							
Provisions	15	24.88	59.88	84.76	15.63	51.95	67.58
Other non-financial liabilities	16	536.05	153.10	689.16	499.25	256.93	756.18
EQUITY							
Equity Share capital	17	-	1,047.68	1,047.68	-	849.23	849.23
Other Equity	18	-	52,440.51	52,440.51	-	22,087.05	22,087.05
Total Liabilities and Equity		**19,228.95**	**65,582.67**	**84,811.63**	**21,049.73**	**35,701.38**	**56,751.11**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

39 Fair Value Measurements:

A Financial instrument by category and their fair value (₹ in Lakhs)

As at March 31, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	40,683.99	-	-	-	40,683.99	40,683.99
Cash and Cash Equivalents	1	6,952.26	-	-	6,952.26	-	-	6,952.26
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	7,121.09	-	-	-	7,121.09	-	7,121.09
Investments	4	27,075.71	-	1,036.70	-	-	28,112.41	28,112.41
Security Deposits	5	9.11	-	-	-	-	9.11	9.11
Other Advance	5	1.92	-	-	-	-	1.92	1.92
Interest Due but not Received on Loans and Advances	5	32.54	-	-	-	-	32.54	32.54
Total Financial Assets		**41,192.63**	**40,683.99**	**1,036.70**	**6,952.26**	**7,121.09**	**68,839.97**	**82,913.33**
Financial Liabilities								
Trade Payable	10	38.08	-	-	-	-	38.08	38.08
Debt Securities	11	16,745.14	-	-	-	-	16,745.14	16,745.14
Borrowings (Other than Debt Securities)	12	11,855.18	-	-	-	-	11,855.18	11,855.18
Subordinated Liabilities	13	500.00	-	-	-	-	500.00	500.00
Other financial liabilities	14	1,411.12	-	-	-	-	1,411.12	1,411.12
Total Financial Liabilities		**30,549.52**	**-**	**-**	**-**	**-**	**30,549.52**	**30,549.52**

(₹ in Lakhs)

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	29,696.88	-	-	-	29,696.88	29,696.88
Cash and Cash Equivalents	1	144.29	-	-	144.29	-	-	144.29
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	6,534.99	-	-	-	6,534.99	-	6,534.99
Investments	4	18,775.92	-	867.95	-	-	19,643.87	19,643.87
Security Deposits	5	7.30	-	-	-	-	7.30	7.30
Other Advance	5	24.13	-	-	-	-	24.13	24.13
Interest Due but not Received on Loans and Advances	5	19.07	-	-	-	-	19.07	19.07
Total Financial Assets		**25,505.70**	**29,696.88**	**867.95**	**144.29**	**6,534.99**	**49,391.26**	**56,070.53**
Financial Liabilities								
Trade Payable	10	33.72	-	-	-	-	33.72	33.72
Debt Securities	11	10,183.09	-	-	-	-	10,183.09	10,183.09
Borrowings (Other than Debt Securities)	12	17,661.69	-	-	-	-	17,661.69	17,661.69
Subordinated Liabilities	13	4,358.45	-	-	-	-	4,358.45	4,358.45
Other financial liabilities	14	754.11	-	-	-	-	754.11	754.11
Total Financial Liabilities		**32,991.07**	**-**	**-**	**-**	**-**	**32,991.07**	**32,991.07**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

B Reconciliation of level 3 fair value measurement is as follows:

Loans	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	29,696.88	18,829.51
Addition during the year	32,750.02	24,093.48
Amount derecognised / repaid during the year	(20,661.85)	(12,401.07)
Amount written off	(703.88)	(1,315.10)
Gains/(losses) recognised in statement of profit or loss	(397.18)	490.07
Balance at the end of the year	**40,683.99**	**29,696.88**

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with 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.

D2 Regulatory capital

	As at March 31, 2024	As at March 31, 2023
Tier 1 Capital	30,264.98	5,846.29
Tier 2 Capital	615.28	5,146.07
Risk Weighted Assets	49,222.77	33,704.90
Tier 1 Capital Ratio (%)	61.49%	17.35%
Total Capital Ratio (%)	**62.74%**	**32.61%**

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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	
	As at March 31, 2024	As at March 31, 2023
Retail assets (Refer Note 3)	40,683.99	29,696.88
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	-
Total	**40,683.99**	**29,696.88**

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

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

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

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

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 3loan 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios. Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

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

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

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

      The formula for the computation is as below:

      % Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

      % LGD = 1 – recovery rate

EAD:

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

Discounting:

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

Changes in ECL allowances in relation to loans from beginning to end of reporting period: (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening provision of ECL	1,324.92	1,814.99
Addition during the year	1,888.87	1,447.36
Utilization / reversal during the year	(1,491.70)	(1,937.43)
Closing provision of ECL	**1,722.09**	**1,324.92**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

II Liquidity Risk:

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

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

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

Capital adequacy ratio of the Company, as on 31 March 2022 is 62.74% against regulatory norms of 15%. Tier I capital is 61.49% as against requirement of 10%. Tier II capital is 1.25% 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 ₹385.03 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
As at March 31, 2024									
Debt Securities (Refer Note 11)	2,589.31	-	-	3,066.13	2,155.44	8,934.25	-	-	16,745.14
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	3,892.59	1,330.50	1,023.36	1,439.64	1,845.55	2,823.53	-	-	12,355.18
Trade Payables	-	38.08	-	-	-	-	-	-	38.08
As at March 31, 2023									
Debt Securities (Refer Note 11)	-	-	197.57	216.38	1,447.96	8,321.17	-	-	10,183.09
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	579.90	734.51	734.32	3,534.97	12,457.17	3,979.27	-	-	22,020.15
Trade Payables	-	33.72	-	-	-	-	-	-	33.72

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	For the year ended on March 31, 2024	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits	**7,121.09**	**7,121.09**
Impact on profit for the year	35.61	(35.61)
Variable Rate Borrowings	**11,855.18**	**11,855.18**
Impact on profit for the year	(59.28)	59.28

V Foreign currency risk:

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

41 Stock Option Scheme

The Company has granted stock options to certain employees of the Company under following Employee Stock Option Schemes:

1. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016'("ESOP 2016") - instituted, pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.
2. 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2023'("ESOP 2023") - instituted, pursuant to the approval of the shareholders of the Company, by way of postal ballot notice dated May 30, 2023.

During the year ended March 31, 2024, Company has granted 1,000 new stock options (P.Y. 4,500) and 1,48,600 new stock options (P.Y. Nil) under the scheme of ESOP 2016 and ESOP 2023, respectively.

Details of grant and exercise of such options are as follows:

Schemes	Tranches	No. of options granted	Date of grant	No of Employees	F.Y.	No. of employees who have exercised the option	No. of options exercised
ESOP-2016	ESOP-2016 -1	97,500	May 26, 2017	55	2018-19	49	27,645
					2019-20	48	26,595
					2020-21	45	34,340
	ESOP-2016 -2	9,000	May 25, 2018	3	2019-20	2	2,400
					2020-21	2	2,400
					2021-22	2	3,200
	ESOP-2016 -3	2,500	Oct 13, 2018	1	2019-20	1	750
					2020-21	1	750
	ESOP-2016-4	3,500	Feb 12, 2021	6	2022-23	5	750
					2023-24	4	645
	ESOP-2016-5	2,000	Feb 14, 2022	2	2023-24	2	600
	ESOP-2016-6	4,500	Feb 14, 2023	2	2023-24	-	-
	ESOP-2016-7	1,000	Aug 14, 2023	1	2023-24	-	-
ESOP-2023	ESOP-2023-1	1,48,600	Aug 14, 2023	730	2023-24	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Key terms and conditions related to the grant of the stock options are as follows:

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of board meeting, where ESOP were approved	11 August 2016
Date of Board meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; February 14, 2023 and August 14, 2023
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,20,000 out of 1,25,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 30% End of 1 Year
	2. 30% End of 2 Years
	3. 40% End of 3 Years
	Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force.
Exercise period	It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options

Particulars	ESOP 2023
Date of Grant	August 14, 2023
Date of board meeting, where ESOP were approved	May 30, 2023
Date of Board meeting where grant of options were approved	August 14, 2023
Date of Shareholder's approval	July 4, 2023
No. of options granted	1,48,600 out of 3,00,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date: -
	1. 10% End of 1 Year
	2. 20% End of 2 Years
	3. 30% End of 3 Years
	4. 40% End of 4 Years
Exercise period	It shall commence from the date of vesting of options and expire not later than 24 months from the vesting date of each grant of options

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of Vesting and Exercise of Options Scheme:

Vesting Date	ESOP-2016		ESOP-2023	
	Vested Options	No of Option Exercised	Vested Options	No of Option Exercised
May 26, 2018	29,250	27,645	-	-
May 25, 2019	2,700	2,400	-	-
May 26, 2019	28,485	26,595	-	-
October 13, 2019	750	750	-	-
May 25, 2020	34,660	34,340	-	-
May 26, 2020	2400	2400	-	-
October 13, 2020	750	750	-	-
May 24, 2021	3200	3200	-	-
February 12, 2022	1,050	750	-	-
February 11, 2023	750	645	-	-
February 13, 2023	600	600	-	-

The following table sets forth a summary of ESOP schemes:

Particulars	ESOP-2016		ESOP-2023	
	2023-24	2022-23	2023-24	2022-23
Options outstanding at the beginning of the year	8,250	4,500	-	-
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	1,000	4,500	1,48,600	-
Forfeited during the year	-	-	-	-
Exercised during the year	1,245	750	-	-
Lapsed during the year	2,945	-	21,560	-
Outstanding at the end of the year	5,060	8,250	1,27,040	-
Exercisable at the end of the year	1,910	1,350	-	-
Weighted average exercise price per option	₹50/-	₹50/-	₹500/-	₹500/-

Share options outstanding at the end of the year have the following contractual expiry date and exercise options:

Tranches	Grant date	Number of Granted options	Expiry date	Exercise price	Number of options outstanding	
					As at March 31, 2024	As at March 31, 2023
ESOP-2016-4	12-Feb-21	1,050	11-May-23	50	-	750
	12-Feb-21	1,400	11-May-24	50	860	1,000
ESOP-2016-5	14-Feb-22	600	13-May-23	50	-	600
	14-Feb-22	600	13-May-24	50	300	600
	14-Feb-22	800	13-May-25	50	400	800
ESOP-2016-6	14-Feb-23	1,350	13-May-24	50	750	1,350
	14-Feb-23	1,350	13-May-25	50	750	1,350
	14-Feb-23	1,800	13-May-26	50	1,000	1,800

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Tranches	Grant date	Number of Granted options	Expiry date	Exercise price	Number of options outstanding As at March 31, 2024	Number of options outstanding As at March 31, 2023
ESOP-2016-7	14-Aug-23	300	13-Nov-24	50	300	-
	14-Aug-23	300	13-Nov-25	50	300	-
	14-Aug-23	400	13-Nov-26	50	400	-
ESOP-2023-1	14-Aug-23	14,860	13-Aug-26	500	12,704	-
	14-Aug-23	29,720	13-Aug-27	500	25,408	-
	14-Aug-23	44,580	13-Aug-28	500	38,112	-
	14-Aug-23	59,440	13-Aug-29	500	50,816	-
Total					**1,32,100**	**8,250**

Measurement of fair values

The fair value of employee share options has been measured using Black-Scholes model. The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share-based payment plans are as follows:

Tranches	Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value of option
ESOP-2016-4	12-Feb-21	11-May-23	50.97%	50	729.9	4.52%	684.47
	12-Feb-21	11-May-24	50.97%	50	729.9	5.00%	687.15
ESOP-2016-5	14-Feb-22	13-May-23	50.97%	50	747.65	4.63%	700.18
	14-Feb-22	13-May-24	50.97%	50	747.65	4.93%	702.61
	14-Feb-22	13-May-25	50.97%	50	747.65	5.40%	705.43
ESOP-2016-6	14-Feb-23	13-May-24	22.02%	50	1,511.00	7.93%	1,465.25
	14-Feb-23	13-May-25	22.02%	50	1,511.00	7.31%	1,468.18
	14-Feb-23	13-May-26	22.02%	50	1,511.00	7.39%	1,471.30
ESOP-2016-7	14-Aug-23	13-Nov-24	45.00%	50	2,308.00	7.07%	2,261.81
	14-Aug-23	13-Nov-25	45.00%	50	2,308.00	7.29%	2,265.16
	14-Aug-23	13-Nov-26	45.00%	50	2,308.00	7.31%	2,268.20
ESOP-2023-1	14-Aug-23	13-Aug-26	45.00%	500	2,308.00	7.28%	1,876.55
	14-Aug-23	13-Aug-27	45.00%	500	2,308.00	7.31%	1,909.50
	14-Aug-23	13-Aug-28	45.00%	500	2,308.00	7.33%	1,941.18
	14-Aug-23	13-Aug-29	45.00%	500	2,308.00	7.33%	1,970.87

42 The Board of Directors has not recommended any dividend for the financial year 2023-24.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

43. Disclosures required as per Circular DOR (NBFC) CC.PD. No. 109/22.10.106/2019-20- Implementation of Indian Accounting Standard:

(₹ In Lakhs)

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms	Difference between IND AS 109 Provision and IRACP Norms
A. Performing Assets						
Standard	Stage 1	40,754.22	823.49	39,930.72	164.85	658.64
	Stage 2	527.97	147.13	380.84	2.14	144.99
Subtotal		**41,282.19**	**970.62**	**40,311.57**	**166.99**	**803.63**
B. Non-Performing Assets						
Sub standards	Stage 3	1,087.75	715.32	372.43	109.35	605.97
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	36.15	36.15	-	36.15	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful	Stage 3	**36.15**	**36.15**	**-**	**36.15**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,123.90**	**751.47**	**372.43**	**145.50**	**605.97**
Total	Stage 1	40,754.22	823.49	39,930.72	164.85	658.64
	Stage 2	527.97	147.13	380.84	2.14	144.99
	Stage 3	1,123.90	751.47	372.43	145.50	605.97
Total		**42,406.09**	**1,722.09**	**40,683.99**	**312.49**	**1,409.60**

44. Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 (updated as on 22 February 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below (Regulatory (Non-IND AS) Information):

A. Capital to risk assets ratio (CRAR) (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
(i)	CRAR (%)	62.74%	32.61%
(ii)	CRAR Tier I Capital (%)	61.49%	17.35%
(iii)	CRAR Tier II Capital (%)	1.25%	15.27%
(iv)	Amount of subordinated debt raised as Tier-II Capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

B. Investments (₹ in Lakhs)

Particulars			March 31, 2024	March 31, 2023
(1)	**Value of investments**		28,112.41	19,643.87
	(i)	**Gross value of investments**		
		(A) In India	28,112.41	19,643.87
		(B) Outside India	-	-
	(ii)	**Provision for deprecation**		
		(A) In India	-	-
		(B) Outside India	-	-
	(iii)	**Net value of investments**		
		(A) In India	28,112.41	19,643.87
		(B) Outside India	-	-
(2)	**Movement of provisions held towards Depreciation on investments**			
	(i)	Opening balance	-	-
	(ii)	Add: provisions made during the year	-	-
	(iii)	Less: write-off/write-back of excess provisions during the year.	-	-
	(iv)	Closing balance	-	-

C. Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

D. Disclosure relating to securitization:

The Company has not entered into transaction of Securitization (PTC) during the Year Ended March 31, 2024 (Previous Years: ₹4,575.81 Lakhs).

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1)	No of SPVs sponsored by the company for securitization transactions	1	2
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	827.16	3,430.95
3)	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	198.92	653.69
	• Others	-	-
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

E. Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

The Company has not sold financial assets to securitization/reconstruction Company for asset reconstruction during the year. (Previous year Nil)

F. Details of assignment transactions undertaken by NBFC:

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
i)	No. of Accounts	4,533	-
ii)	Book value of loans assets assigned during the year	2,616.65	-
iii)	Sale consideration received during the year	2,354.99	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	214.76	-

G. Details of non-performing assets purchase / sold

The Company has not purchased/sold non performing financial assets in the current and previous year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

H. Assets Liability Management

Maturity pattern of certain Assets and Liability as on March 31, 2024

	Up to 30/31 days	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
Deposits	-	3.88	-	10.15	136.08	0.28	-	-	150.40
Advances	1,640.15	2,409.59	2,385.12	6,929.50	12,559.56	14,642.88	97.98	19.21	40,683.99
Investments	-	55.00	27.50	170.00	168.20	616.00	-	27,075.71	28,112.41
Cash & cash equivalents	6952.26	-	-	-	-	-	-	-	6952.26
Bank balance other than above	-	510.00	8.26	231.50	6,181.53	48.52	-	-	6,979.81
Borrowings	6,481.90	1,330.50	1,023.36	4,505.77	4,001.00	11,757.78	-	-	29,100.32
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

I. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

J. Exposure to Real Estate Sector

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

K. Details of financing of parent Company products:

This disclosure is not applicable as the Company does not have any holding / parent Company.

L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: **Nil**

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: **Nil**

M. Unsecured Advances:

i) Refer Note no. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (31 March 2023: **Nil**).

N. Registration obtained from other financial sector regulators.

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

i) Ministry of Corporate Affairs

ii) Ministry of Finance

O. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

P. Rating assigned by credit rating agencies and migration of ratings during the year

For FY 2023-24

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to (Refer Note 1)	Borrowing limits or conditions imposed by rating agency
Bank Loan Ratings	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Reaffirmed	April 2025	70.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Assigned	April 2025	50.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	ACUITE A- | Stable | Reaffirmed	April 2025	80.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	18-04-2024	PP-MLD | ACUITE A- | Stable | Reaffirmed	April 2025	45.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	06-03-2024	CARE A- | Stable	March 2025	39.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	06-03-2024	CARE A- | Stable	March 2025	58.50 Crore
Securitisation (BL 2023 CAIRO - Series A1(a) PTCs)	CARE Ratings	16-05-2023	CARE A+ (SO)	May 2024	20.97 Crore
Securitisation (BL 2023 CAIRO - Series A1(b) PTCs)	CARE Rating	16-05-2023	CARE A- (SO)	May 2024	1.97 Crore

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

For FY 2022-23

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to (Refer Note 1)	Borrowing limits or conditions imposed by rating agency
Bank Loan Ratings	Acuité Ratings & Research	12-01-2023	ACUITE A- | Stable | Reaffirmed	Jan 2024	70.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	12-01-2023	ACUITE A- | Stable | Reaffirmed	Jan 2024	30.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	12-01-2023	PP-MLD | ACUITE A- | Stable | Assigned	Jan 2024	25.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	12-01-2023	PP-MLD | ACUITE A- | Stable | Reaffirmed	Jan 2024	20.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	03-01-2023	CARE BBB+ | Stable | Reaffirmed	Jan 2024	37.80 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	03-01-2023	CARE BBB+ | Stable | Reaffirmed	Jan 2024	39.00 Crore
Securitisation (ROGER JULY '22 - Series A1(a) PTCs)	CARE Ratings	06-09-2022	Provisional CARE A+ (SO)	Sept 2023	20.54 Crore
Securitisation (ROGER JULY '22 - Series A1(b) PTCs)	CARE Ratings	06-09-2022	Provisional CARE BBB+ (SO)	Sept 2023	2.28 Crore
Securitisation (BL 2023 CAIRO - Series A1(a) PTCs)	CARE Ratings	16-05-2023	CARE A+ (SO)	May 2024	20.97 Crore
Securitisation (BL 2023 CAIRO - Series A1(b) PTCs)	CARE Rating	16-05-2023	CARE A- (SO)	May 2024	1.97 Crore

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Q. Remuneration of Directors

Refer Note no. 35 of Financial Statements.

R. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

S. Net Profit of Loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

T. Revenue Recognition

Refer para no. 3.1 to the accounting policy

U. Ind AS 110 - consolidated financial statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 110. Refer consolidated financial statements (CFS).

V. Provisions and Contingencies

The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss.	As at March 31, 2024	As at March 31, 2023
Provision towards impaired assets (Stage 3)	116.26	(659.47)
Provision made towards income tax	1,049.30	787.80
Provision towards impaired assets (Stage 1 and 2)	280.91	169.40
Provision towards Interest Receivable on credit impaired assets	46.41	145.09
Provision for employee benefits	20.00	12.80

W. Drawn down from Reserves:

There is no draw down from reserves during the year.

X. Concentration of deposits (for deposit taking NBFCs):

Not applicable, as company has not taken any Deposits from public During the Year.

Y. Concentration of advances:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

Z. Concentration of exposure:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

AA. Concentration of Stage 3 assets:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

BB. Sector-wise Stage 3 assets (Gross):

Sector	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2024	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2023
MSME	2.24%	2.38%
Auto Loans	4.36%	3.73%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

CC. Movement of Stage 3 Assets:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Net stage 3 assets to net advances (%)	0.92%	0.63%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	818.97	1,606.55
(b) Additions during the year	1,067.12	690.91
(c) Reductions during the year	(762.19)	(1,478.49)
(d) Closing balance	1,123.90	818.97
(iii) Movement of net stage 3 assets		
(a) Opening balance	188.01	316.09
(b) Additions during the year	184.47	-
(c) Reductions during the year	(0.06)	(128.09)
(d) Closing balance	372.43	188.00
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	630.96	1290.45
(b) Additions during the year	882.65	753.40
(c) Reductions during the year	(762.14)	(1,412.89)
(d) Closing balance	751.47	630.96

DD. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil

EE. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	8	8
c)	No. of complaints redressed during the year	8	8
d)	No. of complaints pending at the end of the year	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at beginning of year	Number of complaints received during year	% increase/ decrease in number of complaints received over previous year	Number of complaints pending at end of year	Of 5, number of complaints pending beyond 30 days
FY 23-24					
Delay & Denial of Services	-	2	100.00%	-	-
Rectification in Credit Bureau Report	-	1	(50.00%)	-	-
Delay in releasing NOC	-	1	(66.67%)	-	-
Closer & Settlement	-	1	100.00%	-	-
Clarification on Statement of Accounts	-	1	100.00%	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at beginning of year	Number of complaints received during year	% increase/ decrease in number of complaints received over previous year	Number of complaints pending at end of year	Of 5, number of complaints pending beyond 30 days
Others	-	2	(33.33%)	-	-
FY 22-23					
Rectification in Credit Bureau Report	-	2	100.00%	-	-
Delay in releasing NOC	-	3	200.00%	-	-
Compliant regarding Collection process	-	3	100.00%	-	-
Closer & Settlement	-	-	(100.00%)	-	-

45. Information as required in terms of Paragraph 19 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below:

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:

Sr No.	Particulars	Year ended March 31, 2024	
		Amount Outstanding	Amount Overdue
a)	Debentures : Secured	16,745.14	-
	: Unsecured (Other Than falling within the meaning of public deposits*)	-	-
b)	Deferred Credits	-	-
c)	Term Loans	8,219.71	-
d)	Inter-Corporate Loans and borrowings	-	-
e)	Commercial Paper	-	-
f)	Other loans:		
	- From Banks	4,135.47	-
	- From a Company	-	-
	- Security Deposits	-	-
	- Advances Received against loan agreements	-	-

*Please see note 1 below

B. Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):

Sr No.	Particulars	Year ended March 31, 2024	
		Amount Outstanding	Amount Overdue
a)	In the form of unsecured debentures	-	-
b)	In the party secured Debentures i.e., debenture where there is shortfall in the value of security	-	-
c)	Other public deposits	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below)

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
a)	Secured	7,325.69
b)	Unsecured	33,358.31

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
(i)	Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	-
	b) Operating Lease	-
(ii)	Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	-
	b) Repossessed assets	-
iii)	Other loans counting towards AFC activities	
	a) Loans where assets have been reprocessed	-
	b) Loans other than a) above	-

E. Break-up of Investments

Refer Note 44 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above:

Sr. No.	Category	Amount net off Provisions		
		Secured	Unsecured	Total
1	**Related Parties****			
	a) Subsidiaries	-	-	-
	b) Companies with the same group	-	-	-
	c) Other related parties	-	-	-
2	**Other than related parties**	7,325.69	33,358.31	40,683.99
	Total	**7,325.69**	**33,358.31**	**40,683.99**

** As per Ind AS issued by MCA (refer note 3 below)

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

Sr. No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	**Related Parties****		
	a) Subsidiaries (Refer Note Below)	55,397.66	28,112.41
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2	**Other than related parties**	-	-
	Total	**55,397.66**	**28,112.41**

**As per Ind AS issued by MCA (Refer Note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on March 31, 2024.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (*all Amounts are in ₹ in Lakhs, unless otherwise stated*)

H. Other Information:

Sr. No.	Particulars	Amount
(i)	**Gross non-performing Assets**	
	a) Related parties	-
	b) Other than related parties	1,123.90
(ii)	**Net non-performing assets**	
	a) Related parties	-
	b) Other than related parties	372.43
(iii)	**Assets acquired in satisfaction of debt**	-

Notes:

1) As defined in point xxvii of paragraph 3 of Chapter - 2 of these Directions.
2) Provisioning norms are applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3) All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

46. As required in terms of paragraph 13 of Non-Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, schedule to the Balance Sheet of a Non-Banking Financial Company are annexed hereto.

47. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

48. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.

49. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and 31 March 2023.

50. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

51. The Group has taken borrowings from banks and financial institutions and utilized them for the specific purpose for which they were taken as at the Balance sheet date. Unutilized funds as at 31 March 2024 are held by the Group in the form of deposits or in current accounts till the time the utilization is made subsequently.

52. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2024 and 31 March 2023.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (*all Amounts are in ₹ in Lakhs, unless otherwise stated*)

53. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

55. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

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

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

Place: Ahmedabad
Date: 27.05.2024

For, **Arman Financial Services Limited**

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

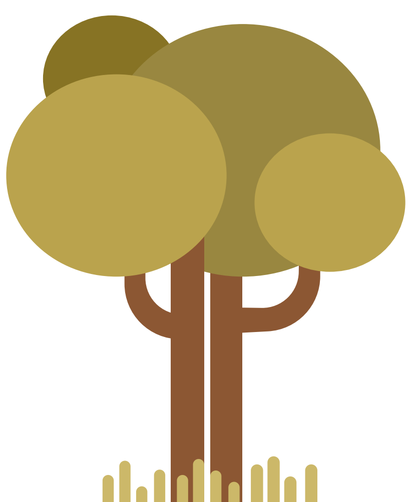
Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

NAMRA FINANCE LIMITED

- Directors' Report
- Auditor's Report
- Financial Statements
- Notes



BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the 12th Board's Report of your Company together with the Audited Financial Statement for the year ended on March 31, 2024.

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

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

1. FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	2023-24	2022-23
Total Revenue	53,024.77	33,151.52
Finance Charges	22,210.38	14,330.14
Depreciation	123.49	102.46
Net Profit Before Tax	18,239.78	8,911.20
Current Tax	4,925.00	2,045.00
Deferred Tax (Asset)/Liability	(521.37)	131.34
Short/(Excess) provision of income tax of earlier year	2.82	15.10
Net Profit After Tax	13,833.33	6,719.76
Basic Earnings Per Share (In ₹)	30.17	17.15
Diluted Earnings Per Share (In ₹)	30.17	17.15

2. OPERATIONS

Namra Finance Limited is a wholly owned subsidiary of Arman Financial Services Limited, and is a Non-Banking Finance Company - Microfinance Institution (NBFC-MFI). It is engaged in the business of Joint-Liability Group (JLG) based Microfinance. The financial statements of Namra and the Parent Company, Arman, as well as the consolidated financials are included within the Annual Report.

Performance Highlights

- AUM was ₹2,193.11 crores in FY 2023-24 as compared to ₹1,627.63 crores in FY 2022-23, increased by 35%.
- Disbursement was ₹1,895.16 crores in FY 2023-24 as compared to ₹1,484.89 crores in FY 2022-23, increased by 28%.
- Total income was ₹530.25 crores in FY 2023-24 as compared to ₹331.52 crores in FY 2022-23, increased by 60%.
- Profit before taxes was ₹182.40 crores in FY 2023-24 as compared to ₹89.11 crores in FY 2022-23, increased by 105%.
- Profit for the year attributable to owners of the Company was ₹138.33 crores in FY 2023-24 as compared to ₹67.20 crores in FY 2022-23, increased by 106%.

- Basic Earnings Per Share was ₹30.17 in FY 2023-24 as compared to ₹17.15 in FY 2022-23, increased by 76%.
- Diluted Earnings Per Share was ₹30.17 in FY 2023-24 as compared to ₹17.15 in FY 2022-23, increased by 76%.

3. DIVIDEND

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

4. APPROPRIATIONS

The Company proposes to transfer ₹2,767.00 Lakhs (previous year ₹1,344.00 Lakhs) to Special Reserve created u/s 45–IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹1.00 Lakh (previous year ₹1.00 Lakh) to the general reserve.

5. COST RECORDS

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

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

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

7. CREDIT RATING

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

CARE has upgraded its rating for various Non-Convertible Debentures ("NCDs") of the Company from "CARE BBB+"; stable (Triple B plus; outlook stable) to "CARE A-"; stable (A minus; outlook stable). The Grading of the Company was reaffirmed to 'MFI 1' (MFI one) by CARE Advisory Research & Training Limited during the year 2023-24.

8. UNCLAIMED DIVIDEND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unpaid dividend accounts appeared in balance sheet as at March 31, 2024.

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

Except short term loans given to its holding Company, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

10. PUBLIC DEPOSITS

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

11. DIRECTORS AND KMP

The Board of Directors consists of 4 (four) members, of which 1 (one) is Independent Director. The Board also comprises of a woman Director. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Ritaben Patel [DIN-00011818] will retire by rotation at the ensuing AGM and being eligible, offer herself for reappointment.

a) Appointment

The Board of Directors at their meeting held on August 14, 2024, subject to the approval of Members of the Company, approved the appointment of Mr. Pinakin Surendra Shah (DIN: 00007695) as an Independent Director for a period of five years effect from August 14, 2024. The Company has sought approval of the Members for appointment of Mr. Pinakin Surendra Shah at the ensuing AGM of the Company.

b) Re-appointment

Mr. Jayendra Patel (DIN: 00011814) was appointed as Managing Director & C.E.O. of the Company for a period of 5 years with effect from August 21, 2019 and accordingly he holds office upto August 21, 2024. After considering his performance, dedication and valuable contribution to the Company, the Board has re-appointed him as Managing Director & C.E.O. for a period of 5 years with effect from August 21, 2024. The Company has sought approval of the Members for reappointment of Mr. Jayendra Patel at the ensuing AGM of the Company.

Mr. Aalok Jayendra Patel (DIN-02482747) was appointed as a Joint Managing Director for a period of 5 years with effect from August 21, 2019 and accordingly he holds office upto August 21, 2024. After considering his performance and valuable contribution to the Company, the Board has re-appointed him as a Joint Managing Director for a period of 5 years with effect from August 21, 2024. The Company has sought approval of the Members for reappointment of Mr. Aalok Jayendra Patel at the ensuing AGM of the Company.

c) Completion of tenure

During the FY 2024-25, Mr. R. K. Nagpal (DIN: 00073205) completed his second and final term as an Independent Director and consequently ceased to be an Independent Director of the Company w.e.f. the close of business hours on July 2, 2024. The Board placed on record its appreciation & deep gratitude for the valuable guidance as a member of the Board.

d) Key Managerial Personnel (KMP)

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

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

12. MEETING OF THE BOARD / AUDIT COMMITTEE

The Board during the financial year 2023-24 met 5 (Five) times and Audit Committee met 5 (Five) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of three directors. The table sets out the composition of the Committee:

SRN	Name of the Director	Designation	Category of Director
1	Mr. R. K. Nagpal	Chairman	Independent Director
2	Mrs. Ritaben Patel	Member	Non-Executive Director
3	Mr. Aalok Patel	Member	Joint Managing Director

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

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the year ended on March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) That the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. SECRETARIAL STANDARDS

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

16. DECLARATION BY INDEPENDENT DIRECTORS

A declaration of independence in compliance with Section 149(6) of the Companies Act, 2013, has been taken on record from the independent director of the Company.

17. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and the rules made thereunder and RBI requirements, the Members at their 10th AGM held on September 29, 2022, has appointed M/s Samir M. Shah & Associates, Chartered Accountants (FRN: 122377W), as the Statutory Auditors of the Company for a period of three years from the conclusion of 10th AGM till the conclusion of the 13th AGM.

The Auditor's Report for FY 2023-24 does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company (being a material subsidiary of Arman Financial Services Limited) has appointed M/s. GKV & Associates, Practicing Company Secretary (Membership No.: F12366 and Certificate of Practice No.: 19866) to undertake the Secretarial Audit of the Company for the financial year 2023-24.

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

The Secretarial Audit Report is appended as **"Annexure-1"** to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

18. RELATED PARTY TRANSACTIONS

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

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

19. RISK MANAGEMENT

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

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

20. INTERNAL CONTROL SYSTEM

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

21. INTERNAL FINANCIAL CONTROLS

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

22. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

23. CORPORATE SOCIAL RESPONSIBILITY

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

Further, the details including Composition of the CSR Committee, the CSR Policy and the CSR Report are given at **"Annexure-2"**

24. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 for the Company for the financial year 2023-24 is available on the website of the Company at https://namrafinance.com/QuaterlyAnnualReports.aspx → Annual Return 2023-24

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

A. Conservation of energy and Technology absorption:

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

B. Foreign exchange earnings and outgo:

There were no foreign exchange earnings during the year (previous year also Nil) while the expenditure in foreign currency by the Company during the year was USD equivalent of ₹85,93,000/- (previous year: ₹Nil) towards the due diligence fees.

26. SHARES & SHARE CAPITAL

- **Authorized Share Capital:**
  The authorised share capital of the Company as on March 31, 2024 was ₹50,00,00,000/- divided into 5,00,00,000 ordinary equity shares of ₹10/- each. During the current FY 2024-25, the Company has increased the authorized share capital from ₹50,00,00,000/- divided into 5,00,00,000 ordinary equity shares of ₹10/- each to ₹60,00,00,000/- divided into 6,00,00,000 ordinary equity shares of ₹10/- each on June 19, 2024.

- **Buy Back of Securities:**
  The Company has not bought back any of its securities during the year under review.

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

- **Bonus Shares:**
  No Bonus Shares were issued during the year under review.

- **Equity Share**
  During the Financial year 2023-24, the Company has allotted 40,00,000 equity shares of ₹10/- each at a premium of ₹190/- amounting ₹80.00 cr. on February 16, 2024, on right basis to the Arman Financial Services Limited. Subsequent to the above allotments, the paid-up share capital of the Company has increased to ₹49,36,00,000/-.

  During the current Financial year 2024-25, the Company has allotted 35,00,000 equity shares of ₹10/- each at a premium of ₹190/- amounting ₹70.00 cr. on June 28, 2024, on right basis to the Arman Financial Services Limited. Subsequent to the above allotments, the paid-up share capital of the Company has increased to ₹52,86,00,000/-.

27. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors and the Secretarial Auditors of the Company have not reported any instances of material frauds committed in the Company by its officers or employees, except few instances of cheating, forgery, misappropriation and criminal breach of trust amounting to ₹38.92 Lakhs against which company has recovered ₹10.14 Lakhs., which are duly identified by the Company and are disclosed as Note 11 (a) to the Financial Statements. The Company has reported the aforesaid instances to RBI and necessary remedial actions including strict legal actions have been taken against the parties involved.

28. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

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

29. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

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

The Company has not made any such valuation during the FY24.

31. GRATITUDE & ACKNOWLEDGEMENT

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

For, and on behalf of the Board

Place: Ahmedabad
Date: August 14, 2024

Jayendrabhai Bhailalbhai Patel
Chairman & Managing Director
DIN: 00011814

ANNEXURE-1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
   i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:
   i. The Reserve Bank of India Act, 1934,

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

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India;

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366F000977363

Place: Ahmedabad
Date: August 14, 2024

Note: This report is to be read with our letter of even date which is annexed as **Annexure-1A** and forms an integral part of this report.

ANNEXURE-A

To,
The Members,
Namra Finance Limited

Our report of even date is to be read along with this letter.

Management Responsibility:

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

Auditors Responsibility:

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366F000977363

Place: Ahmedabad
Date: August 14, 2024

ANNEXURE-2

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of Companies Act, 2013

1. **Brief outline of Companies CSR Policy:**

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

2. **Composition of CSR Committee:**

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

   a. Mr. Jayendra Patel, Chairperson

   b. Mr. Aalok Patel, Member

   c. Mr. R. K. Nagpal, Member

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** www.namrafinance.com

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

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

6. **Average net profit of the Company as per section 135(5):** ₹403,155,648.77/-

7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹80,63,113 /-

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

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

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹80,63,113/-

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹80,63,113/-	-	-	-	-	-

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

SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Providing educational support to the poor and needy children	Promoting Education	Yes	Gujarat	Ahmedabad	3 years	₹ 77,14,045/-	Nil	-	No	Arman Foundation	CSR00018622

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Sponsoring one year education fees for one gifted girl child	Promoting Education	Yes	Gujarat	Ahmedabad	₹1,96,468/-	No	Riverside Foundation	CSR00016335
2	Serving individuals afflicted by sarcoma, gastrointestinal stromal tumor (GIST), and desmoid tumors.	Promoting Healthcare	No	Delhi	Delhi	₹1,00,000/-	No	Sachin Sarcoma Society	CSR00042883
3	Distribution of grocery/food kits to the flood affected people	Disaster relief	Yes	Maharashtra	Buldhana	₹52,600/-	Yes	N.A.	N.A.

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

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹80,63,113/-

(g) **Excess amount for set off, if any:** ₹1,42,656/-

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

SRN	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1.	2022-23	Nil	-	-	-	-	-
2.	2021-22	₹36,65,030/-	-	-	-	-	-
3.	2020-21	₹34,11,000/-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SRN	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed / Ongoing
-	-	-	-	-	-	-	-	-

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
NAMRA FINANCE LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying Standalone Financial Statements of **NAMRA FINANCE LIMITED** ("the Company") which comprise the Balance Sheet as at **March 31, 2024**, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 , its Profit, Other Comprehensive Income, its Cash Flows and Changes in Equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

   Key audit matter identified in our audit in respect of **Provision for Expected Credit Losses on loans** is as follows:

Provision for Expected Credit Losses on loans

[Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2024, outstanding Loans of ₹1,62,607.18 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognise allowance for expected credit losses on loans. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2024. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The management has recognised a provision of ₹2,111.41 Lakhs in the Statement of Profit and Loss for the year ended March 31, 2024. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following: a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based; b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; c) developing a point estimate by making reference to the expected credit losses recognised by entities that carry comparable loans portfolio; d) testing the arithmetical calculation of the expected credit losses; e) verifying the adequacy of the related disclosures; and f) Obtaining written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

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

5. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

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

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

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

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

15. Further to our comments in **Annexure A**, as required by Section 143(3) of the Act, based on our audit, we report that:

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

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

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

    d) In our opinion, the aforesaid standalone financial statements comply with accounting standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statement.

    g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.

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

    i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements; (Refer Note 31 to the standalone financial statements).

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

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities , including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (ii) The management has represented, that to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as mentioned at para (iv)(i) and (iv)(ii) above, contain any material mis-statement.

    v. The company has not declared or paid any dividend during the year as prescribed under Section 123 of the Act.

    vi. The company has used an accounting software for maintaining its books of account which does not have a feature of recording audit trail (edit log) facility. Consequently, we are unable to report whether the audit trail facility has been operated and maintained throughout the year for all transactions recorded in the software, or if the audit trail feature has been tampered with.

For **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
Membership No. 111052
UDIN: 24111052BKBPNT5042

Place: Ahmedabad
Date: May 27, 2024

ANNEXURE "A"

Referred to in paragraph 14 of our report of even date to the Members of NAMRA FINANCE LIMITED for the year ended March 31, 2024

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

1. **In respect of Property, Plant and Equipment :**
   (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments ("PPE").
   (ii) The Company has maintained proper records showing full particulars of intangible assets
   (b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular interval which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
   (c) The title deeds of all the immovable properties company (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.
   (d) During the year, the company has not revalued its Property, Plant & Equipments or intangible assets.
   (e) No proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

2. **In respect of its Inventories :**
   (a) The Company is in the business of providing loans and does not have any physical Inventories and hence clause 3(ii)(a) of Companies (Auditor's Report) Order, 2020 (the 'Order') is not applicable.
   (b) During the year, the company has availed sanctioned working capital limit in excess of ₹5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said banks are materially in agreement with the books of accounts maintained by the Company.

3. **In respect of Loans and Advances granted during the year:**
   (a) The Company's principal business is to give loans, hence reporting under clause 3(iii)(a) of the Order is not applicable.
   (b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of Reserve Bank of India Act, 1934, ('RBI Act'") in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
   (c) The Company, being a Non-Banking Financial Company(NBFC), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/ advances which are not repaid by borrowers as per stipulations.
   (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹5046.91 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.
   (e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)e of the Order is not applicable.
   (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment hence reporting under clause 3(iii)(f) of the Order is not applicable.

4. **Loans, Investments and Guarantees:**
   The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 (the 'Act') with respect to loans or advances in the nature of loans, investments made, guarantees provided and securities given.

5. **In respect of Deposits:**
   During the year, the company has not accepted any deposits or amount which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company. Accordingly, clause 3(v) of the Order is not applicable.

6. **In Respect of Cost Records:**
   The Company is not required to maintain cost records as required by the central government under sub section (1) of section 148 of the Act, hence clause (vi) of the Order is not applicable.

7. **In respect of Statutory Dues :**
   (a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues with the appropriate authorities.
   There were no undisputed amounts payable in respect above referred statutory dues which were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable except professional tax of ₹0.41 Lakhs.
   (b) There were no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues which have not been deposited on account of any dispute except.

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Periods to which the amount relates	Forum where dispute is pending	Remarks, If any
Goods and Service Tax Act	GST	3.17	F.Y. 2017-18	The GST Commissioner (Appeal) State Tax, Roorkee	-

8. **In Respect of Undisclosed Income Discovered in Income tax Assessment:**
   There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3(viii) of the Order is not applicable to the company.

9. **In respect of Repayment of Loans:**
   (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.
   (b) The company has not been declared as willful defaulter by any bank or financial institution or other lenders.
   (c) The term loans taken during the year were applied for the purpose for which they were obtained.
   (d) The company has not utilized any funds raised on short term basis for long term purpose.
   (e) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3 (ix)(e) of the Order is not applicable to the Company.
   (f) The company has not has raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3 (ix)(f) of the Order is not applicable to the Company.

10. **In Respect of Public Offerings:**
    (a) The Company has u tilised the money raised by way of Non-Convertible Debentures during the year, for the purpose for which they were raised. The company has not defaulted in repayment of the same.
    (b) The company has made preferential allotment by way of right issue of equity shares to its holding company during the year and also made private placement through Market linked Debenture (MLD) during the year The Company has complied with the requirements of section 42 & 62 of the Act. The company has utilized the funds raised by way of preferential allotment of shares for the purposes for which they were raised.
11. (a) We report that no material fraud by the Company or any material fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit except fraud by employees of ₹38.92 Lakhs against which company has recovered ₹10.14 Lakhs.
    (b) No report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.
    (c) No whistle-blower complaints were received during the year by the company upto the date of this report.
12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Order are not applicable to the Company.
13. The company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related part transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure" specified under section 133 of the Act.
14. **In Respect of Internal Audit System:**
    (a) The company has an internal audit system commensurate with the size and nature of its business.
    (b) During the course of our audit, we have considered, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
15. The Company has not entered in to any non-cash transactions with its directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
16. In Respect to the Provisions of RBI Act 1934:
    (a) The Company is registered under section 45-IA of RBI Act, 1934, and registration certificate for the same has been obtained.
    (b) The company is carrying Non-Banking Financial activities with a valid certificate of Registration.
    (c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Order is not applicable to the company.
17. The Company has not incurred any cash losses in the financial year under review and immediately preceding financial year. Accordingly, clause (xvii) of the Order is not applicable to the company.
18. There has been no resignation of the statutory auditors during the year under consideration. Accordingly, clause (xviii) of the Order is not applicable to the company.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. **In respect of Unspent Corporate Social Responsibility:** There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
Membership No. 111052
UDIN: 24111052BKBPNT5042

Place: Ahmedabad
Date: May 27, 2024

ANNEXURE "B"

Referred to in paragraph 15 (f) of our Report of even date to the Members of NAMRA FINANCE LIMITED for the year ended March 31, 2024.

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

Opinion

We have audited the internal financial controls over financial reporting of NAMRA FINANCE LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail ,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
Membership No. 111052
UDIN: 24111052BKBPNT5042

Place: Ahmedabad
Date: May 27, 2024

BALANCE SHEET

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	4,906.78	2,477.83
(b) Bank balance other than (a) above	2	33,633.71	34,014.46
(c) Loans	3	1,62,607.18	1,24,987.01
(d) Investments	4	711.81	1,825.75
(e) Other financial assets	5	2,835.61	2,698.31
(2) Non-financial Assets			
(a) Deferred tax assets (Net)	6	1,504.55	1,178.30
(b) Property, plant and equipment	7	422.79	402.21
(c) Other intangible assets	7	22.37	30.85
(d) Right-of-Use Assets	7	141.48	94.03
(e) Other non-financial assets	8	75.22	67.48
Total Assets		**2,06,861.50**	**1,67,776.23**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		62.91	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		97.55	118.74
(b) Debt Securities	10	13,491.91	14,152.40
(c) Borrowings (Other than Debt Securities)	11	1,27,900.54	1,13,098.60
(d) Subordinated liabilities	12	2,000.00	2,000.00
(e) Other financial liabilities	13	6,714.62	4,884.70
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	14	777.59	635.66
(b) Provisions	15	174.12	132.13
(c) Other non-financial liabilities	16	244.60	191.78
(3) EQUITY			
(1) Equity Share capital	17	4,936.00	4,536.00
(2) Other equity	18	50,461.66	28,026.22
Total Liabilities and Equity		**2,06,861.50**	**1,67,776.23**
Accompanying Material Accounting Policies and Notes to the financial statements	**1 to 48**		

As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 27.05.2024

For & on behalf of the Board of Directors of
Namra Finance Limited

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
(1)	**Revenue from operations**			
	Interest Income	19	47,070.28	29,801.85
	Gain on assignment of Financial Assets	20	3,475.54	1,877.61
	Fees and Commission Income	21	1,917.19	1,317.88
	Net gain on Fair Value Changes	22	550.84	153.84
	Total Revenue from operations (1)		**53,013.85**	**33,151.18**
(2)	Other income	23	10.92	0.34
(3)	**Total Income (1+2)**		**53,024.77**	**33,151.52**
(4)	**Expenses**			
	Finance Costs	24	22,210.38	14,330.14
	Impairment of Financial Assets	25	5,785.84	4,263.21
	Employee Benefits Expenses	26	4,701.35	3,700.08
	Depreciation and Amortization	27	123.49	102.46
	Others expenses	28	1,963.93	1,844.43
	Total Expenses (4)		**34,784.99**	**24,240.32**
(5)	**Profit / (loss) before exceptional items and tax (3-4)**		**18,239.78**	**8,911.20**
(6)	**Tax Expense:**			
	(1) Current Tax	29	4,925.00	2,045.00
	(2) Short Provision of Income Tax/ deferred Tax of earlier years	29	2.82	15.10
	(3) Deferred Tax Liability / (Assets)	29	(521.37)	131.34
	Total Tax Expenses		**4,406.45**	**2,191.44**
(7)	**Profit/(loss) for the period (5-6)**		**13,833.33**	**6,719.76**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be classified to Profit or loss			
	- Remeasurement of Defined Benefit Obligations		(4.19)	(24.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.05	6.12
	Subtotal (A)		**(3.14)**	**(18.20)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair Value Gain/(loss) on financial Assets measured through OCI		779.45	(461.46)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(196.17)	116.14
	Subtotal (B)		**583.28**	**(345.32)**
	Other Comprehensive Income (A + B)		**580.14**	**(363.52)**
(9)	**Total Comprehensive Income for the period (7+8) (Comprising profit (Loss) and other comprehensive income for the year)**		**14,413.47**	**6,356.24**
(10)	**Earnings per equity share (Face Value ₹10 per Equity Share)**			
	Basic (₹)	30	30.17	17.15
	Diluted (₹)	30	30.17	17.15

Accompanying Material Accounting Policies and Notes to the financial statements **1 to 48**

As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 27.05.2024

For & on behalf of the Board of Directors of
Namra Finance Limited

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

STATEMENT OF CASH FLOW

for the year ended March 31, 2024

(₹ in Lakhs)

	PARTICULARS	For the year ended March 31, 2024		For the year ended March 31, 2023	
A:	**Cash from Operating Activities:**				
	Profit Before Tax		18,239.78		8,911.20
	Adjustment For:				
	Depreciation and amortization	94.90		74.57	
	Depreciation on Right of Use Assets	28.59		27.90	
	Interest Income	(47,070.28)		(29,801.85)	
	Net gain on investment instruments measured through profit and loss	(46.81)		7.25	
	Finance cost	22,210.38		14,330.14	
	Provision for impairment on financial assets	2,111.41		823.46	
	Net Loss on Derecognition of Intangible Assets	0.24		-	
	(Profit) / loss on sale of property, plant and equipment	(10.92)		-	
	Gain On Assignment of Assets (Net of Expense)	(3,475.54)		(1,877.61)	
	Loss / (Profit) on sale of Current Investment	(504.03)		(161.10)	
	Remeasurement of define benefit plan Gain / (loss)	(4.19)		(24.33)	
	Employee Stock Option Plan Expense	421.96		7.95	
			(26,244.29)		**(16,593.62)**
	Operating profit before working Capital changes:		**(8,004.51)**		**(7,682.42)**
	Adjustment For Increase /(Decrease) in Operating Assets:				
	Loans and Advances	(38,952.12)		(39,295.97)	
	Other Financial Assets	3,182.72		1,178.14	
	Other Non Financial Assets	(7.73)		(27.71)	
	Bank Balance other than Cash and cash equivalents	380.75		(28,089.71)	
	Adjustment For Increase /(Decrease) in Operating Liability:				
	Trade Payables	41.72		34.56	
	Provision	41.99		56.31	
	Other Non Financial liability	52.82		93.28	
	Other Financial Liabilities	1,959.77	(33,300.08)	2,018.13	(64,032.97)
	Cash Generated From Operations				
	Interest Received	47,225.81		28,939.95	
	Finance Cost	(22,745.90)		(14,701.35)	
	Income tax paid (Net)	(4,785.89)		(1,716.08)	
			19,694.01		**12,522.52**
	Net Cash From Operating Activities:		**(21,610.58)**		**(59,192.87)**
B:	**Cash Flow From Investing Activities:**				
	Purchase of Property, Plant & Equipment	(113.18)		(224.05)	
	Purchase of Current investments	(59,774.55)		(27,140.70)	
	Proceeds from Sale/redemption of investments	61,439.33		26,068.65	
	Sale of Property, Plant & Equipment	16.85		-	
	Net Cash from Investment Activities:		**1,568.46**		**(1,296.10)**

STATEMENT OF CASH FLOW (CONTD.)

for the year ended March 31, 2024

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2024		For the year ended March 31, 2023	
C: Cash Flow From Financing Activities:				
Proceeds from issue of share capital (including Share Premium)	8,000.00		9,997.11	
Proceeds from debt securities and borrowings	1,60,379.32		1,12,551.76	
Repayments of debt securities and borrowings	(1,52,619.62)		(75,648.48)	
Net increase / (decrease) in working capital borrowings	6,740.73		11,641.40	
Repayment of Principal Component of Lease Liability (Net)	(29.37)		(25.83)	
Net Cash from Financing Activities:		**22,471.06**		**58,515.96**
Net Increase in Cash & Cash Equivalents (A+B+C)		**2,428.95**		**(1,973.01)**
Cash & cash equivalents at the beginning		2,477.83		4,450.84
Cash & cash equivalents at the end		4,906.78		2,477.83

Notes:

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

Particulars	March 31, 2024	March 31, 2023
Cash on hand	90.84	56.15
Balance with Bank	4,815.94	2,421.68
Total	**4,906.78**	**2,477.83**
Bank deposit with original maturity of 3 months or less	-	-
Cash & cash equivalents as per Balance Sheet	4,906.78	2,477.83

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

3 **Change in liabilities arising from financing activities:**

Particulars	March 31, 2023	Net Cash Flows	Non Cash Changes	March 31, 2024
Debt Securities	14,152.40	(577.55)	(82.95)	13,491.91
Borrowing other than debt Securities	1,13,098.60	15,077.98	(276.05)	1,27,900.54
Subordinated Liabilities	2,000.00	-	-	2,000.00
Total	**1,29,251.00**	**14,500.43**	**(359.00)**	**1,43,392.44**

Change in liabilities arising from financing activities:

Particulars	March 31, 2022	Net Cash Flows	Non Cash Changes	March 31, 2023
Debt Securities	12,779.03	1,330.00	43.37	14,152.40
Borrowing other than debt Securities	66,391.50	47,214.67	(507.57)	1,13,098.60
Subordinated Liabilities	2,000.00	-	-	2,000.00
Total	**81,170.53**	**48,544.67**	**(464.19)**	**1,29,251.00**

As per our report of even date attached herewith

For & on behalf of the Board of Directors of
Namra Finance Limited

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

[Samir M Shah]
Partner
[M.No.111052]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 27.05.2024

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(A) Equity share capital (Refer Note 17)

FY 2023-24

(₹ in Lakhs)

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 year	Balance as at March 31, 2024
Ordinary equity share capital	4,536.00	-	4,536.00	400.00	4,936.00

FY 2022-23

Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Ordinary Equity share capital	3,326	-	3,326.00	1,210.00	4,536.00

(B) Other equity (Refer note 18)

(₹ in Lakhs)

Particulars	Reserves and surplus					Other Comprehensive Income	Total
	General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Capital Contribution from Holding		
FY 2023-24							
Balance as at April 1, 2023	**8.00**	**2,995.30**	**14,021.39**	**11,558.11**	**90.55**	**(647.13)**	**28,026.22**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at April 1, 2023	**8.00**	**2,995.30**	**14,021.39**	**11,558.11**	**90.55**	**(647.13)**	**28,026.22**
Profit for the year	-	-	-	13,833.33	-	-	13,833.33
Other comprehensive income (net of taxes)	-	-	-	-	-	580.14	580.14
Total Comprehensive Income for the period	-	-	-	**13,833.33**	-	**580.14**	**14,413.48**
Transactions with Owners in the capacity as Owners							
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	2,767.00	-	(2,767.00)	-	-	-
Additions during the year in securities premium	-	-	7,600.00	-	-	-	7,600.00
Share Issue Expense From Securities Premium A/c	-	-	-	-	-	-	-
Reversal of ESOP due to unexercised option	-	-	-	-	-	-	-
Transfer during the year in General Reserve	1.00	-	-	(1.00)	-	-	-
Share based payment to employees (ESOP)	-	-	-	-	421.96	-	421.96
Balance as at March 31, 2024	**9.00**	**5,762.30**	**21,621.39**	**22,623.44**	**512.51**	**(66.99)**	**50,461.66**

STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2024

(B) Other equity (Refer note 18) (contd.)

(₹ in Lakhs)

Particulars	Reserves and surplus					Other Comprehensive Income	Total
	General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Capital Contribution from Holding		
FY 2022-23							
Balance as at April 1, 2022	**7.00**	**1,651.30**	**5,234.28**	**6,183.35**	**82.61**	**(283.61)**	**12,874.93**
Profit for the year	-	-	-	6,719.76	-	-	6,719.76
Other comprehensive income (net of taxes)	-	-	-	-	-	(363.52)	(363.52)
Total Comprehensive Income for the period	**-**	**-**	**-**	**6,719.76**	**-**	**(363.52)**	**6,356.24**
Transactions with Owners in the capacity as Owners							
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	1,344.00	-	(1,344.00)	-	-	-
Additions during the year in securities premium	-	-	8,787.11	-	-	-	8,787.11
Share Issue Expense From Securities Premium A/c	-	-	-	-	-	-	-
Share based payment to employees (ESOP)	-	-	-	-	7.95	-	7.95
Transfer during the year in General Reserve	1.00	-	-	(1.00)	-	-	-
Balance as at March 31, 2023	**8.00**	**2,995.30**	**14,021.39**	**11,558.11**	**90.56**	**(647.13)**	**28,026.23**

As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 27.05.2024

For & on behalf of the Board of Directors of
Namra Finance Limited

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024.

1. CORPORATE INFORMATION

Namra Finance Limited (the "Company") is a wholly owned subsidiary of Arman Financial Services Limited, a public Company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a Non deposit taking non-banking finance Company – Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Finance loans ("MFL") to Joint Liability Groups ("JLG"), to create the underlying assets of MFL.

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

i) Loans at fair value through other comprehensive income ("FVOCI") and

ii) Defined benefit plans - plan assets

iii) Investments in units of mutual funds at fair value through Profit & Loss ('FVTPL')

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

Functional and presentation currency

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

2.3 Use of estimates, judgements and assumptions

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

Judgements

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

i) **Business model assessment**

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

Estimates and assumptions

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

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 of Material Accounting Policies.

ii) Effective interest rate ("EIR") method

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

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

iii) Impairment of financial asset

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

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

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

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

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

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.

v) Provision for income tax and deferred tax Assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 37.

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

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Recognition of interest income

A. Interest income

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

3.2 Financial instrument - initial recognition

A. Date of recognition

Regular way purchase or sale of financial assets are recognised on (trade date / settlement date). All other financial assets and financial liabilities are recognised on settlement date.

B. Initial measurement of financial instruments

Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities not subsequently measured 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) Fair Value through Other Comprehensive Income (FVOCI)

iii) Fair Value Through Profit or Loss (FVTPL)

3.3 Financial assets and liabilities – subsequent measurement

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.

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").

v) Derivatives

All derivatives are measured at fair value at the end of every reporting period.

Hedge accounting:

The Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

B. Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended March 31, 2024 and 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 modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

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

i) Financial assets

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

Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

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

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

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

B. Calculation of ECLs

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

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

i) Gross fixed investment (% of GDP)

ii) Lending interest rates

iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

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

- **Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

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

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

A. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest spread under par structure of direct assignment of loan Receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

B. Other interest income

Other interest income is recognised on a time proportionate basis.

C. 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

D. Fees and commission income

Fees and Commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance costs

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance 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 finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided on straight line method specified in Schedule II to the Companies Act, 2013. However, Land is not depreciated. The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Vehicles - 8 years

iii) Office equipment - 3 to 10 years

iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

3.11 Leases

Right-of-use assets are measured presented as "Right to use Asset" and "Other financial liabilities" respectively on the financial statements.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Short-term leases for the underlying asset are of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

3.12 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

Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably:

3.13 Taxes

A. Current tax

Current Tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in profit or loss or OCI or directly in equity. The Company has provided for the tax liability based on the significant judgment that the taxation authority will accept the tax treatment.

B. Deferred tax

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

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

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

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

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

4. Standards issued but not yet effective

The Ministry of Corporate Affairs has not notified any amendments under Companies (Indian Accounting Standards) Amendment Rules, 2022 for March 31, 2024.

With respect to amendments made vide notification no. G.S.R 255(E) dated 31st March 2023 by The Ministry of Corporate Affairs for Companies (Indian Accounting Standards) Amendment Rules,2022. There was no material impact on the financial statements of the company during the financial year with respect to the said IND AS amendment related to Ind AS 1 – Presentation of Financial Statements, Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors & Ind AS 12 – Income Taxes.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

1	Cash and Cash Equivalents	As at March 31, 2024	As at March 31, 2023
	Cash on hand	90.84	56.15
	Balance with banks	4,815.94	2,421.68
	Total	**4,906.78**	**2,477.83**

2	Bank Balance other than Cash and Cash Equivalents	As at March 31, 2024	As at March 31, 2023
	In fixed deposit accounts:		
	Deposits given as security against borrowings or other commitments	13,841.79	8,738.01
	Fixed Deposits given as security against overdraft facilities (Refer Note No.2.1)	19,147.06	24,600.00
	Other Deposits with original maturity more than 3 months	1,302.44	1,657.66
		34,291.29	**34,995.67**
	Less: Interest Accrued but not due on Bank Deposits (Disclosed in Note 5)	(657.57)	(981.21)
	Total	**33,633.71**	**34,014.46**

2.1 Deposits includes deposits of ₹19147.06 Lakhs (P.Y. ₹24600.00 Lakhs) given to bank for Overdraft facilty availed.

3	Loans	As at March 31, 2024	As at March 31, 2023
	At FVOCI:		
	Unsecured Loans	170,760.34	129,847.52
	Less: Interest Due but not received on loans (Disclosed in Note 5)	(858.83)	(517.23)
	At Amortised Cost		
	Inter Corporate Deposits to holding company	-	1,013.14
		169,901.51	**130,343.43**
	Less: Impairment Loss Allowance	(7,294.33)	(5,356.42)
		162,607.18	**124,987.01**
	(1) Loans In India	162,607.18	124,987.01
	(2) Loans Outside India	-	-
	Total	**162,607.18**	**124,987.01**

3.1 Refer Note No. 35 for loans to Company in which directors are interested.

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2022	**83,980.01**	**4,283.26**	**3,384.60**	**91,647.87**
New Assets originated*	128,791.59	599.72	445.63	129,836.94
Net transfer between stages				
Transfer from stage 1	(2,374.47)	877.81	1,496.66	-
Transfer from stage 2	837.66	(1,253.25)	415.59	-
Transfer from stage 3	1.27	0.44	(1.71)	-
Less: Assets derecognised or collected	85,822.38	1,168.64	559.90	87,550.93
Less: Write - offs	134.16	1,931.22	1,525.07	3,590.45
Gross carrying amount as at March 31, 2023	**125,279.52**	**1,408.12**	**3,655.79**	**130,343.43**
New Assets originated*	159,348.48	1,816.40	1,172.64	162,337.52
Net transfer between stages				
Transfer from stage 1	(5,979.25)	2,219.39	3,759.85	-
Transfer from stage 2	5.28	(164.58)	159.30	-
Transfer from stage 3	0.50	0.39	(0.89)	-
Less: Assets derecognised or collected	116,462.88	585.99	1,724.01	118,772.88
Less: Write - offs	1,344.92	685.89	1,975.76	4,006.56
Gross carrying amount as at March 31, 2024	**160,846.74**	**4,007.85**	**5,046.91**	**169,901.51**

*__Note:__ New assets originated are those assets which are disbursed during the year.

3.3 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2022	**515.82**	**1,321.49**	**2,879.40**	**4,716.71**
Addition during the Year	842.60	430.56	2,093.29	3,366.46
Reduction during the Year	(146.48)	(1,200.30)	(1,379.97)	(2,726.75)
Gross carrying amount as at March 31, 2023	**1,211.94**	**551.76**	**3,592.72**	**5,356.42**
Addition during the Year	1,247.30	1,244.10	4,682.58	7,173.98
Reduction during the Year	(1,219.81)	(533.03)	(3,483.22)	(5,236.07)
Gross carrying amount as at March 31, 2024	**1,239.43**	**1,262.82**	**4,792.08**	**7,294.33**

Note: Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio.

4	Investments	As at March 31, 2024	As at March 31, 2023
	At Fair Value Through Profit & Loss		
	In Mutual Funds		
	6,48,523.25 Units (As at 31.03.2023 : 9,08,465.69 Unit) SBI Magnum Gilt Fund Regular Growth	388.91	500.86
	6,98,053.50 Units (As at 31.03.2023: 6,98,053.50 Unit) SBI Magnum Medium Duration Fund Regular Growth	322.90	300.00
	Total Mutual Funds	**711.81**	**800.86**
	At Amortised Cost		
	In Pass through certificates under securitization transactions (PTC)		
	Nil Units (As at 31.03.2023- 1,87,87,291 unit) of HLF Sydney PTC, Face Value of ₹1 Each	-	174.07
	Nil Units (As at 31.03.2023 - 1,13,53,428 Unit) Nabsam Albany PTC, Face Value of ₹1 Each	-	108.17
	Nil Units (As at 31.03.2023 - 2,15,98,529) of Nimbus 2022 MFI Dunedin, Face Value of ₹1 Each	-	203.65

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Investments	As at March 31, 2024	As at March 31, 2023
Nil Units (As at 31.03.2023 - 1,87,70,074) of Nimbus 2022 MFI Hamilton, Face Value of ₹1 Each	-	173.75
Nil Units (As at 31.03.2023 - 1,23,40,361) of NFL EMERALD 2022, Face Value of ₹1 Each	-	108.74
Nil Units (As at 31.03.2023 - 1,82,47,719) of MFSL 2022 Lynx, Face Value of ₹1 Each	-	161.11
Nil Units (As at 31.03.2023 - 1,00,000) of Sheryl 06 2022, Face Value of ₹1 Each	-	0.89
Nil Units (As at 31.03.2023 - 41,13,949) of Victor July 2022, Face Value ₹1 Each	-	37.78
Nil Units (As at 31.03.2023 - 61,92,788) of Nimbus 2022 MFI Brampton, Face Value of ₹1 Each	-	56.74
Total PTC	**-**	**1,024.89**
Total	**711.81**	**1,825.75**
i) Investments in India	711.81	1,825.75
ii) Investments outside India	-	-
Total	**711.81**	**1,825.75**

4.1 Investments represents investments is Nil (P.Y. ₹1024.89 Lakhs) given as collateral security against borrowing from Financial Institution.

5 Other Financial Assets	As at March 31, 2024	As at March 31, 2023
Deposits	19.78	18.18
Income Receivable from Direct Assignment	1,890.33	1,543.01
Other Advances	9.11	65.21
Interest accrued but not due on Bank Deposits (Refer Note 2)	657.57	981.21
Interest Due but not received on loans (Refer Note 3)	858.83	517.23
Less: Provision on Interest Receivable on Credit Impaired Loans and Advances	(600.02)	(426.52)
Total	**2,835.61**	**2,698.31**

5.1 Reconciliation of ECL balance is given below:

Gross carrying amount at beginning of the year	**426.52**	**242.77**
Addition during the year	535.15	306.16
Reduction during the year	(361.66)	(122.41)
Gross carrying amount at Closing of the year	**600.02**	**426.52**

5.2 Other Financial Assets does not include any dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

6 Deferred Tax	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets on account of:D142:G159		
Provision for employee benefits	43.82	33.25
Financial assets measured at amortised cost	460.25	351.31
Share Issue Expense that are allowable for tax purpose in the year of payment	-	0.29
Provision for CSR	-	-
Fair valuation of financial instruments through OCI	15.57	211.75
Impairment on Financial assets	1,986.85	1,349.99
Total Deferred Tax Assets	**2,506.50**	**1,946.59**
Deferred Tax Liabilities on account of:		
Difference in written down value as per Companies Act and Income Tax Act	(10.40)	(9.74)
Financial liabilities measured at amortised cost	(352.99)	(262.64)
Interest Receivable on NPA	(151.01)	(107.35)
Fair valuation of Investment in Mutual Fund	(11.78)	(0.22)
Direct Assignment Income Receivable - DA	(475.76)	(388.34)
Total Deferred Tax Liabilities	**(1,001.94)**	**(768.29)**
At the end of year DTA / (DTL) (net)	**1,504.55**	**1,178.30**

6.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(i) Movement in deferred tax assets (net)

Particulars	As at March 31, 2023	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2024
Assets				
Provision for employee benefits	33.25	9.51	1.05	43.82
Financial assets measured at amortised cost	351.31	108.94	-	460.25
Share Issue Expense	0.29	(0.29)	-	-
Impairment loss allowance	1,349.99	636.86	-	1,986.85
Fair valuation of financial instruments through OCI	211.75	-	(196.17)	15.57
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(9.74)	(0.66)	-	(10.40)
Financial liabilities measured at amortised cost	(262.64)	(90.35)	-	(352.99)
NPA Interest Receivable	(107.35)	(43.66)	-	(151.01)
Income Taxable on Realised Basis	-	-	-	-
Fair valuation of Investment in Mutual Fund	(0.22)	(11.56)	-	(11.78)
Income Receivable on Direct assignments	(388.34)	(87.41)	-	(475.76)
Total (Net)	**1,178.30**	**521.37**	**(195.12)**	**1,504.55**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024.

(all Amounts are in ₹ in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	19.08	8.05	6.12	33.25
Financial assets measured at amortised cost	214.46	136.84	-	351.31
Share Issue Expense	0.59	(0.29)	-	0.29
Impairment loss allowance	1,196.64	153.34	-	1,349.99
Fair valuation of financial instruments through OCI	95.61	-	116.14	211.75
CSR Provision	9.22	(9.22)	-	-
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(6.58)	(3.16)	-	(9.74)
Financial liabilities measured at amortised cost	(145.81)	(116.83)	-	(262.64)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(2.04)	2.04	-	-
NPA Interest Receivable	(61.10)	(46.25)	-	(107.35)
Fair valuation of Investment in Mutual Fund	(24.00)	23.78	-	(0.22)
Income Receivable on Direct assignments	(108.69)	(279.65)	-	(388.34)
Total (Net)	**1,187.38**	**(131.34)**	**122.26**	**1,178.30**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024.

(all Amounts are in ₹ in Lakhs, unless otherwise stated)

7 Property, Plant & Equipment

Carrying Value	Furniture & Fixtures	Buildings	Office Equipments	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At March 31, 2022	**111.84**	**84.17**	**32.68**	**161.17**	**79.35**	**469.21**	**69.87**	**539.08**	**179.40**
Addition	17.44	-	10.90	30.82	159.43	218.60	5.45	224.05	-
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2023	**129.28**	**84.17**	**43.58**	**191.99**	**238.79**	**687.82**	**75.32**	**763.14**	**179.40**
Addition	52.98	-	25.90	34.30	-	113.18	-	113.18	76.05
Disposal	3.31	-	6.39	48.26	55.00	112.96	7.35	120.31	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2024	**178.95**	**84.17**	**63.09**	**178.04**	**183.79**	**688.03**	**67.97**	**756.00**	**255.44**

Accumulated Depreciation / Amoritsation	Furniture & Fixtures	Buildings	Office Equipments	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At March 31, 2022	**36.16**	**4.52**	**22.00**	**109.71**	**48.20**	**220.58**	**34.93**	**255.51**	**57.47**
Charge for the year	11.16	1.32	9.52	23.65	19.38	65.03	9.54	74.57	27.90
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2023	**47.32**	**5.84**	**31.52**	**133.36**	**67.58**	**285.61**	**44.47**	**330.08**	**85.37**
Charge for the year	14.82	1.33	12.98	29.60	27.93	86.66	8.24	94.90	28.59
Disposal	2.71	-	6.07	45.99	52.25	107.02	7.11	114.14	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2024	**59.42**	**7.17**	**38.42**	**116.97**	**43.26**	**265.24**	**45.60**	**310.84**	**113.96**

Net Carrying Value	Furniture & Fixtures	Buildings	Office Equipments	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of Use Assets
At March 31, 2023	**81.96**	**78.33**	**12.07**	**58.64**	**171.21**	**402.21**	**30.85**	**433.06**	**94.03**
At March 31, 2024	**119.53**	**76.99**	**24.67**	**61.07**	**140.53**	**422.79**	**22.37**	**445.16**	**141.48**

(a) **Capitalised Borrowing Cost:** Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹Nil (PY. ₹Nil).

(b) **Contractual Obligations:** Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

(e) There are no intangible assets that are under development.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

8	Other Non - Financial Assets	As at March 31, 2024	As at March 31, 2023
	Prepaid Expenses	21.54	6.88
	Advances to staff	6.49	12.31
	Balance with government authorities	47.18	48.30
	Total	**75.21**	**67.48**

9	Other Payables	As at March 31, 2024	As at March 31, 2023
	Total outstanding dues of micro enterprises and small enterprises	62.91	-
	Total outstanding dues of other than micro enterprises and small enterprises	97.55	118.74
	Total	**160.46**	**118.74**

9.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
1	Principal amount payable to suppliers as at year end	Nil	Nil
2	Interest due thereon as at year end	Nil	Nil
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	Nil	Nil
4	Amount of delayed payment actually made to suppliers during the year	Nil	Nil
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
6	Interest accrued and remaining unpaid at the end of the year	Nil	Nil
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil

9.2 Trade Payable ageing schedule:

As on March 31, 2024	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	Nil	62.91	-	97.56
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	Nil
Outstanding between 2 year to 3 Years	Nil	Nil	Nil	Nil
Outstanding More than 3 Years	Nil	Nil	Nil	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

As on March 31, 2023	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	Nil	-	-	118.74
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	Nil
Outstanding between 2 year to 3 Years	Nil	Nil	Nil	Nil
Outstanding More than 3 Years	Nil	Nil	Nil	Nil

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.

10	Debt Securities (At Amortised Cost)	As at March 31, 2024	As at March 31, 2023
	11.95% Secured, Redeemable, Non Convertible Debenture of ₹81,818 Each (4,000 Unit as at 31.03.2024, Nil Unit as at 31.03.2023)	3,272.72	-
	11.20% Secured, Redeemable, Non Convertible Debenture of ₹500 Each (1,000 Each as at 31.03.2023) (2,22,654 Unit as at 31.03.2024, 2,22,654 Unit as at 31.03.2023)	1,113.27	2,226.54
	11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (Nil Unit as at 31.03.2024, 34,550 Unit as at 31.03.2023)	-	3,455.00
	12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (Nil Unit as at 31.03.2024, 48,750 Unit as at 31.03.2023)	-	4,875.00
	11.60% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (40,280 Unit as at 31.03.2024, Nil Unit as at 31.03.2023)	4,028.00	-
	12.20% Secured, Redeemable, Non Convertible Debenture of ₹1 lakh Each (4565 Unit as at 31.03.2024, Nil Unit as at 31.03.2023)	4,565.00	-
	Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (68 Unit as at 31.03.2024, 368 Unit as at 31.03.2023)	680.00	3,680.00
	Total	**13,658.99**	**14,236.54**
	Less: Unamortised borrowing costs	(167.08)	(84.14)
	Total	**13,491.91**	**14,152.40**
	i) Debt Securities In India	13,491.91	14,152.40
	ii) Debt Securities Outside India	-	-
	Total	**13,491.91**	**14,152.40**

10.1. Details of terms of Redemption/ Repayment and security provided in respect of debt securities, borrowings:

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (368 Unit as at 31.03.2023)	680.00	3,680.00	Repayment of ₹3,000 lakhs on 29th March 2024 and ₹680 Lakhs to be repaid on 31st October 2024	Secured Under Hypothecation of Specific Asset Portfolio
34,550, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	-	3,455.00	99.99% on 13 May 2023 and Remaining Bullet Payment at the end of 24 Months From 13 May 2023	Secured Under Hypothecation of Specific Asset Portfolio

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
48,750, 12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	-	4,875.00	99.99% on 12 November 2023 and Remaining Bullet Payment at the end of 60 Months From 12 November 2020	Secured Under Hypothecation of Specific Asset Portfolio
2,22,654, 11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000 Each	1,113.27	2,226.54	50 % of the Principal amount repaid on 11th March 2024 remaining 49.99 % will be repaid 11th March 2025 and the remaining 0.01% will be repaid on maturity date i.e. 2 plus 2 years	Secured Under Hypothecation of Specific Asset Portfolio
4,028, 12.20% Secured, Redeemable, Non Convertible Debenture of ₹1,00,000 Each	4,028.00	-	99.99% of the Principal Amount will be repaid on 26 June 2026 and 00.01% of the Principal Amount will be repaid on Maturity Date i.e. 26th June 2028	Secured Under Hypothecation of Specific Asset Portfolio
45,650, 11.60% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	4,565.00	-	99.99% of the Principal amount will be repaid on 08 May 2025 and 00.01% of the Principal amount will be repaid on Maturity Date i.e. 13 the June 2027	Secured Under Hypothecation of Specific Asset Portfolio
4,000, 11.95% Secured, Redeemable, Non Convertible Debenture of ₹1,00,000 Each	3,272.72	-	Total tenor of 33 months. Principal repayments to be made on a quarterly basis Starting from 25th May 2023 till 25 May 2026	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	**13,658.99**	**14,236.54**		

11 Borrowings (Other than debt securities)	As at March 31, 2024	As at March 31, 2023
Term Loans - Secured		
(i) From Banks	71,689.32	53,114.75
(ii) From Financial Institutions	38,970.23	49,207.54
Less: Unamortised borrowing costs	(1,235.45)	(959.40)
	109,424.09	**101,362.89**
Loans Repayable On Demand From Banks - Secured	-	90.32
Overdraft from banks - Secured against Fixed Deposit (Refer Note 2.1)	18,476.44	11,645.39
Total	**127,900.54**	**113,098.60**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Borrowings (at Amortized Cost)	As at March 31, 2024	As at March 31, 2023
i) Borrowings in India	127,900.54	113,098.60
ii) Borrowings Outside India	-	-
Total	**127,900.54**	**113,098.60**

11.1 Security:

Note: Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". Also some of the loans are guaranteed by Holding Company.

Interest:

Term loan carries an interest rate ranging from 10.20 % to 15.00% p.a.

Short Term Loans from Related Parties carries an interest rate of 10.00% p.a.

11.2 The Company has not defaulted in repayment of borrowings and interest thereon

11.3 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

11.4 Details of terms of Repayment and security provided in respect of borrowings.

11.4 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Banks - 1	-	211.98	Repayable in 35 Monthly installments Starting From 31st October 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 2	-	363.64	Repayable in 36 Monthly installments from 31 Mar 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 3	-	27.63	Repayable in 36 Monthly installments starting From 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 4	495.07	1,499.08	Repayable in 26 Monthly installments starting From 31st August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 5	331.75	1,085.48	Repayable in 37 Monthly installments starting From 20 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 6	151.51	514.60	Repayable in 36 Monthly installments from 08 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 7	151.51	513.23	Repayable in 35 Monthly installments starting From 7 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Banks - 8	447.90	1,359.37	Repayable in 36 Monthly installments from 28 Sep 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 9	416.67	1,250.01	Repayable in 36 Monthly installments starting From 23 September 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 10	432.79	1,187.50	Repayable in 36 Monthly installments from 29 Nov 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 11	-	545.45	Repayable in 24 Monthly installments from 30 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 12	-	272.73	Repayable in 24 Monthly installments from 30 Mar 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 13	-	2,227.27	Repayable in 24 Monthly installments starting From 29th Nov'21 AND 15th Dec'21	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 14	-	1,067.45	Repayable in 18 Monthly installments from 16 Mar 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 15	766.86	1,395.50	Repayable in 36 Monthly installments starting From 13 February 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 16	1,497.11	2,697.87	Repayable in 30 Monthly installments from 17 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 17	993.16	1,999.97	Repayable in 26 Monthly installments starting From 21th February 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 18	298.27	452.06	Repayable in 36 Monthly installments starting From 30 November 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 19	1,090.95	1,818.19	Repayable in 36 Monthly installments from 29 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 20	933.33	1,866.67	Repayable in 30 Monthly installments starting From 30 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 21	555.56	1,000.00	Repayable in 28 Monthly installments starting From 28 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 22	666.67	1,200.00	Repayable in 24 Monthly installments from 20 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Banks - 23	95.24	1,238.10	Repayable in 24 Monthly installments starting From 30 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 24	349.89	550.00	Repayable in 36 Monthly installments from 18 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 25	347.70	550.00	Repayable in 36 Monthly installments from 18 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 26	366.66	566.58	Repayable in 36 Monthly installments starting From 18 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 27	248.19	999.69	Repayable in 27 Monthly installments from 30 Apr 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 28	4,000.00	6,400.00	Repayable in 36 Monthly installments starting From 13 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 29	750.00	1,749.91	Repayable in 24 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 30	1,394.83	1,999.41	Repayable in 36 Monthly installments starting From 22 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 31	416.67	1,416.67	Repayable in 24 Monthly installments from 24 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 32	374.99	1,125.00	Repayable in 24 Monthly installments from 27 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 33	1,133.33	1,933.33	Repayable in 36 Monthly installments starting From 30 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 34	-	1,925.74	Repayable in 18 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 35	-	3,094.03	Repayable in 18 Monthly installments from 07 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 36	11.87	2,701.40	Repayable in 18 Monthly installments from 28 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 37	88.12	111.66	Repayable in 60 Monthly installments starting From 24 Sep 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Banks - 38	-	218.26	Repayable in Monthly installments from 26 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 39	-	1,979.29	Repayable in Monthly installments from 01 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 40	2,996.36	-	Repayable in 24 Monthly installments starting From 18 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 41	1,125.00	-	Repayable in 36 Monthly installments starting From 31 May 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 42	1,712.41	-	Repayable in 31 Monthly installments starting From 24 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 43	1,607.80	-	Repayable in 36 Monthly installments starting From 01 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 44	2,998.26	-	Repayable in 26 Monthly installments starting From 18 Feb 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 45	1,000.00	-	Repayable in 36 Monthly installments starting From 14 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 46	2,291.67	-	Repayable in 36 Monthly installments starting From 30 Oct 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 47	466.67	-	Repayable in 24 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 48	2,727.27	-	Repayable in 24 Monthly installments starting From 29 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 49	3,500.00	-	Repayable in 24 Monthly installments starting From 31 Jan 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 50	1,100.00	-	Repayable in 24 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 51	3,499.97	-	Repayable in 28 Monthly installments starting From 29 Jan 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 52	1,875.00	-	Repayable in 24 Monthly installments starting From 7 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Banks - 53	1,500.00	-	Repayable in 27 Monthly installments starting From 28 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 54	2,000.00	-	Repayable in 36 Monthly installments starting From 27 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 55	1,499.93	-	Repayable in 36 Monthly installments starting From 29 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 56	541.67	-	Repayable in 24 Monthly installments starting From 12 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 57	375.00	-	Repayable in 24 Monthly installments starting From 22 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 58	6,178.00	-	Repayable in 36 Monthly installments starting From 29 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 59	2,000.00	-	Repayable in 27 Monthly installments starting From 19 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 60	833.32	-	Repayable in 36 Monthly installments starting From 4 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 61	1,666.67	-	Repayable in 24 Monthly installments starting From 1 Dec 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 62	3,939.37	-	Repayable in 35 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 63	1,378.64	-	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 64	2,619.04	-	Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 65	1,450.69	-	Repayable in 20 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Loan From Banks	**71,689.32**	**53,114.76**		
Term Loan From Financial Institution - 1	375.00	875.00	Repayable in 36 Monthly installments starting From 29 Dec 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 2	-	139.91	Repayable in 60 Months Half Yearly installments starting from 31 January 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 3	9.72	126.39	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 4	9.72	126.39	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 5	9.72	126.39	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 6	9.72	126.39	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 7	4.17	54.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 8	4.17	54.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 9	4.17	54.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 10	4.17	54.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 11	-	0.46	Repayable in 20 Monthly installments starting from 13 September 2021 (pay in date)	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 12	-	450.00	Repayable in 2 bullet payment over 18 Monthly installments on 31 October 22 & 30th April 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 13	700.00	1,900.00	Repayable in 36 Monthly installments starting from 22 Oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 14	-	624.85	Repayable in 36 Monthly installments starting from 10th May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 15	58.33	175.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 16	25.00	75.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 17	58.33	175.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 18	25.00	75.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 19	58.33	175.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 20	25.00	75.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 21	58.33	175.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 22	25.00	75.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 23	-	175.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 24	-	75.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 25	-	175.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 26	-	75.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 27	-	175.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 28	-	75.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 29	-	175.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 30	-	75.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 31	-	175.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 32	-	75.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 33	-	175.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 34	-	75.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 35	-	1,021.44	Repayable in 30 Monthly installments starting from 06 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 36	-	1,107.36	Repayable in 30 Monthly installments starting from 05 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 37	-	285.71	Repayable in 24 Monthly installments starting from 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 38	-	285.71	Repayable in 24 Monthly installments starting from 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 39	-	255.43	Repayable in 24 Monthly installments starting from 31st October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 40	-	397.70	Repayable in 15 months Monthly installments starting from 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 41	-	367.73	Repayable in 17 Monthly installments starting from 24 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 42	71.43	357.14	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 43	71.43	357.14	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 44	119.05	404.76	Repayable in 24 Monthly installments starting from 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 45	95.24	323.81	Repayable in 24 Monthly installments starting from 05 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 46	666.67	1,200.00	Repayable in 27 Monthly installments starting from 01 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 47	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 48	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 49	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 50	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 51	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 52	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 53	29.17	204.17	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 54	12.50	87.50	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 55	37.50	112.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 56	37.50	112.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 57	37.50	112.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 58	87.50	262.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 59	87.50	262.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 60	87.50	262.50	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 61	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 62	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 63	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 64	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 65	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 66	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 67	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 68	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 69	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 70	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 71	131.25	306.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 72	56.25	131.25	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 73	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 74	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 75	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 76	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 77	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 78	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 79	175.00	350.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 80	75.00	150.00	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 81	375.00	875.00	Repayable in 24 Monthly installments starting From 29th Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 82	465.61	1,313.78	Repayable in 24 Monthly installments from 22 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 83	549.49	1,149.98	Repayable in 24 Monthly installments starting From 21 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 84	346.24	1,102.56	Repayable in 25 Monthly installments starting From 29 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 85	-	1,357.29	Repayable in 20 Monthly installments starting From 8 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 86	-	1,047.34	Repayable in 18 Monthly installments from 15 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 87	-	2,021.67	Repayable in 18 Monthly installments from 08 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 88	-	741.15	Repayable in 18 Monthly installments from 12 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 89	-	992.76	Repayable in 18 Monthly installments from 19 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 90	1,601.87	3,000.00	Repayable in 24 Monthly installments starting From 23 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 91	1,619.85	4,074.15	Repayable in 24 Monthly installments starting From 26 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 92	1,062.51	2,000.00	Repayable in 24 Monthly installments starting From 29 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 93	532.90	999.48	Repayable in 24 Monthly installments from 22 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 94	1,666.67	2,500.00	Repayable in 36 Monthly installments starting From 28 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 95	1,010.74	2,219.43	Repayable in 24 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 96	800.00	1,600.00	Repayable in 27 Monthly installments starting From 31 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 97	185.97	695.00	Repayable in 24 Monthly installments starting From 22 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 98		1,024.89	Bullet repayment at end of the transaction	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 99	1,500.00		Repayable in 24 Monthly installments starting From 1 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 100	2,479.17		Repayable in 24 Monthly installments starting From 1 Mar 2024	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 101	588.08		Repayable in 21 Monthly installments starting From 1 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 102	333.33		Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 103	333.33		Repayable in 24 Monthly installments starting From 30 Jun 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 104	1,046.99		Repayable in 15 Monthly installments starting From 1 Jul 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 105	618.36		Repayable in 16 Monthly installments starting From 1 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 106	1,468.26		Repayable in 25 Monthly installments starting From 14 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 107	1,481.48		Repayable in 27 Monthly installments starting From 5 Aug 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 108	2,916.67		Repayable in 25 Monthly installments starting From 27 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 109	4,833.34		Repayable in 36 Monthly installments starting From 10 Sep 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 110	3,000.00		Repayable in 35 Monthly installments starting From 27 Oct 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 111	3,000.00		Repayable in 35 Monthly installments starting From 23 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution -				
Total Term Loan From Financial Institution	**38,970.23**	**49,207.54**		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	-	90.32	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and Bank Deposit.
Total	**-**	**90.32**		
Overdraft Facility on Fixed Deposit				
Overdraft Facility on Fixed Deposit 1	-	2,301.47		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 2	7,116.76	3,978.82		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 3	2,727.73	2,851.90		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 4	-	792.23		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 5	2,182.80			Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 6	4,666.79			Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 7	-	370.94		Secured by a first and exclusive charge on specific Fixed Deposits

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Overdraft Facility on Fixed Deposit 8	-	1,350.03		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 9	1,782.37			Secured by a first and exclusive charge on specific Fixed Deposits
	18,476.44	**11,645.39**		

12 Subordinated Liabilities (At Cost)	As at March 31, 2024	As at March 31, 2023
15%, Unsecured Subordinated Term Loan in India	2,000.00	2,000.00
Total	**2,000.00**	**2,000.00**

12.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities:

Particular	March 31, 2024	March 31, 2023	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank - 1	1,000.00	1,000.00	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured
Subordinated Term Loan From Bank - 2	1,000.00	1,000.00	50% Payment at the end of 66 Months from 30th Nov, 2021 & remaining 50% Payment at the end of 72 Months from 30th Nov, 2021	Unsecured

13 Other Financial Liabilities	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on Borrowings	810.42	986.94
Salary & wages payable	81.27	425.46
Micro Insurance Payable	680.40	1,195.17
Hospicash Insurance Payable	498.54	476.88
Other Expenses Payable	53.48	62.41
Payable toward assignment transactions	4,432.85	1,626.84
Lease Liability - Right of Use Assets	157.67	110.99
Total	**6,714.62**	**4,884.70**

14 Current Tax Liabilities / (Assets) (Net)	As at March 31, 2024	As at March 31, 2023
Provision for Tax	4,985.00	2,065.00
Less: Advance Tax and TDS	4,207.41	(1,429.34)
Total	**777.59**	**635.66**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

15 Provisions	As at March 31, 2024	As at March 31, 2023
Provision for employee benefit- gratuity (Refer Note No.26.1)	174.12	132.13
Total	**174.12**	**132.13**

16 Other Non Financial Liabilities	As at March 31, 2024	As at March 31, 2023
Other statutory dues	69.94	80.98
TDS payable	174.65	110.80
Total	**244.60**	**191.78**

17 Share Capital	As at March 31, 2024	As at March 31, 2023
[a] Authorized:		
5,00,00,000 (As At 31.03.2023, 5,00,00,000) Equity Shares of ₹10/- each fully paid up	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**
[b] Issued, Subscribed & Paid-up Capital:		
4,93,60,000 (As At 31.03.2023, 4,53,60,000) Equity Shares of ₹10/- each fully paid up	4,936.00	4,536.00
Total	**4,936.00**	**4,536.00**

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2024 & March 31, 2023 is set out below:

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹In Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	45,360,000	4,536.00	33,260,000	3,326.00
Shares Issued during the year	4,000,000	400.00	12,100,000	1,210.00
Reduction during the year	-	-	-	-
Outstanding at the end of the year	**49,360,000**	**4,936.00**	**45,360,000**	**4,536.00**

17.2 The Company having shares referred to as equity shares having face value of ₹10/-each. Each holder of equity share is entitled to 1 vote per share.

17.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

17.4 The company has issued 40 Lakh Right equity shares of ₹10 each at a premium of ₹190/- during the year (P.Y. Nil)

17.5 The Company is 100 % subsidiary of Arman Financial Services Limited (CIN-L55910GJ1992PLC018623).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

17.6 Details of equity shareholders holding more than 5 % equity shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2024		March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	49,360,000	100.00%	45,360,000	100.00%

17.7 Details of Promotors Shareholding of ordinary shares of the company are as follows:

Promotor Name	March 31, 2024		March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	49,360,000	100.00%	45,360,000	100.00%

18	Other Equity (Refer Note 18.1)	As at March 31, 2024	As at March 31, 2023
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	8.00	7.00
	Add: Transfer from statement of profit and loss	1.00	1.00
	Closing Balance	**9.00**	**8.00**
	ii. Special Reserve u/s 45-IC of the RBI Act, 1934		
	Balance as per last financial statement	2,995.30	1,651.30
	Add: Transfer from statement of profit and loss	2,767.00	1,344.00
	Closing Balance	**5,762.30**	**2,995.30**
	iii. Securities Premium		
	Balance as per last financial statement	14,021.39	5,234.28
	Add: Share Premium on shares issued during the year	7,600.00	8,787.11
	Less: Share Issue Expenses	-	-
	Closing Balance	**21,621.39**	**14,021.39**
	iv. Surplus in the Statement of Profit and Loss		
	Balance as per last financial statement	11,558.11	6,183.35
	Add: Profit for the year	13,833.33	6,719.76
	Less: Appropriations		
	Amount transfer to General Reserve	1.00	1.00
	Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	2,767.00	1,344.00
	Closing Balance	**22,623.44**	**11,558.11**
	B. Other Comprehensive Income		
	Balance as per last financial statement	(647.13)	(283.61)
	Additions during the year	580.14	(363.52)
	Closing Balance	**(66.99)**	**(647.13)**
	C. Capital Contribution from Holding Company		
	Balance as per last financial statement	90.55	82.61
	Additions during the year	421.96	7.95
	Closing Balance	**512.51**	**90.55**
	Total	**50,461.66**	**28,026.22**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

18.1 NATURE AND PURPOSE OF RESERVE

1 Reserve u/s 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):
Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act,1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium:
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Surplus in the statement of profit and loss:
Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 FVOCI - loans and advances:
The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 FVOCI - Remeasurement of the defined benefit liabilities:
Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 General reserve:
The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 Capital Contribution from Holding Company
The Holding Company, Arman Financial Services Limited has allotted shares under Employee Stock Option Scheme to the eligible employees of the Company at an Exercise Price of ₹500 per option during the year (Exercise Price of ₹50 per option in earlier years). The reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

19 Interest Income

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	44,643.68	-	28,504.85	-
Interest on Deposits as Security	-	2,406.85	-	1,276.19
Interest on Others	-	19.75	-	20.81
Total	**44,643.68**	**2,426.60**	**28,504.85**	**1,297.00**
Total Interest		**47,070.28**		**29,801.85**

20 Gain On Assignment of Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Gain On Assignment of Assets (Net of Expense)	3,475.54	1,877.61
Total	**3,475.54**	**1,877.61**

20.1 Gain on assignment of assets is Net off by DA Collection expenses amounting of ₹2277.87 Lakhs (P.Y. of ₹1609.52 Lakhs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

21 Fees and Commission Income

Particulars	As at March 31, 2024	As at March 31, 2023
Processing fees Income	1,487.04	952.61
Service Fees and facilitation Charges	413.20	318.27
Other Fees & Charges	16.95	47.00
Total Interest	**1,917.19**	**1,317.88**

22 Net Gain on Fair Value Changes

Particulars	As at March 31, 2024	As at March 31, 2023
Gain/ (Loss) on Financial Instruments at FVPTL		
Gain/ (Loss) on Fair Value of Mutual Fund	46.81	0.86
Net Gain/(Loss) on fair value of derivative contracts	-	(8.12)
Others		
Gain on Sale of Investment	504.03	161.10
Total	**550.84**	**153.84**
Fair Value Changes		
Realized	504.03	161.10
Unrealized	46.81	(7.25)
Total	**550.84**	**153.84**

23 Other Income

Particulars	As at March 31, 2024	As at March 31, 2023
Net Profit on Derecognition of Property, Plant & Equipment	10.92	0.34
Total	**10.92**	**0.34**

24 Finance Costs (On Financial Liabilities measured at Amoritsed Cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Expense on Borrowings	13,753.32	9,787.04
Interest Expense on Debt Securities	2,077.68	1,689.15
Interest Expense on Subordinated Debt	301.13	300.00
Interest Expense on Others	4,598.84	1,581.28
Other Borrowing Costs	1,471.27	962.66
Interest Expense on Lease Liability	8.15	10.01
Total	**22,210.38**	**14,330.14**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

25 Impairment of Loan Assets (On Financial Assets measured at FVOCI)

Particulars	As at March 31, 2024	As at March 31, 2023
Bad debts written off (Net)	3,674.43	3,439.75
Expected Credit Loss (Net)	2,111.41	823.46
Total	**5,785.84**	**4,263.21**

25.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.1 of Financial Statement.

25.2 Bad debts written off is net off by bad debts recovery of ₹332.13 lakhs (P.Y. ₹150.69 lakhs)

26 Employee Benefit Expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries and wages	4,104.21	3,267.19
Contribution to provident and other funds	373.36	269.09
Gratuity Expense	53.29	32.78
Staff welfare expenses	170.49	131.01
Total	**4,701.35**	**3,700.08**

26.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹373.36 lakhs (31 March 2023: ₹269.09 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

b) Defined benefit plan:

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan required under Ind AS 19 is an under:

I	Reconciliation of opening and closing balances of defined benefit obligation	As at March 31, 2024	As at March 31, 2023
	Opening Defined Benefit Obligation	132.14	77.39
	Transfer in/(out) obligation	-	-
	Current service cost	45.20	28.86
	Interest cost	8.80	4.66
	Components of actuarial gain/losses on obligations:		
	Due to Change in financial assumptions	1.20	(5.64)
	Due to change in demographic assumption	-	-
	Due to experience adjustments	2.29	29.10
	Past service cost	-	-
	Loss (gain) on curtailments	-	-
	Liabilities extinguished on settlements	-	-
	Liabilities assumed in an amalgamation in the nature of purchase		
	Exchange differences on foreign plans		
	Benefit paid from funds	-	(1.43)
	Benefits paid by Company	(15.49)	(0.80)
	Closing Defined Benefit Obligation	**174.13**	**132.14**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

II	Reconciliation of plan assets	As at March 31, 2024	As at March 31, 2023
	Opening value of plan assets	0.01	1.57
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.70	0.73
	Return on plan assets excluding amounts included in interest income	(0.70)	(0.86)
	Assets Distributed on settlements	-	-
	Contribution by the company	-	-
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	-	(1.43)
	Fair value of plan assets at the end of the year	**0.01**	**0.01**

III	Reconciliation of net defined benefit liability	As at March 31, 2024	As at March 31, 2023
	Net opening provision in books of accounts	132.13	75.82
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense	53.29	32.78
	Amounts recognized in Other Comprehensive Income	4.19	24.33
	Total	**189.61**	**132.93**
	Benefits paid by the Company	(15.49)	(0.80)
	Contributions to plan assets	-	-
	Closing provision in books of accounts	**174.12**	**132.13**

IV	Composition of plan assets	As at March 31, 2024	As at March 31, 2023
	Government of India Securities	0%	0%
	High quality corporate bonds	0%	0%
	Equity shares of listed companies	0%	0%
	Property	0%	0%
	Policy of Insurance	100%	100%
	Total	**100%**	**100%**

V	Expense recognised during the year	As at March 31, 2024	As at March 31, 2023
	Current service cost	45.20	28.86
	Interest cost	8.10	3.93
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	**53.29**	**32.78**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

VI Other comprehensive income	As at March 31, 2024	As at March 31, 2023
Components of actuarial gains/losses on obligations:		
Due to change in financial assumptions	1.20	(5.64)
Due to change in demographic assumption	-	-
Due to experience adjustments	2.29	29.10
Return of plan assets excluding amounts included in interest income	0.70	0.86
Components of defined benefits cost recognised in other comprehensive income	**4.19**	**24.33**

VII Principal actuarial assumptions	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.15%	7.30%
Rate of return on plan assets (p.a.)	7.36%	6.00%
Annual increase in salary cost	6.00%	6.00%
Withdrawal rates per annum		
25 and below	25%	25%
26 to 35	25%	25%
36 to 45	20%	20%
46 to 55	10%	10%
56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

VIII Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	178.26	170.21	135.21	129.22
(% change compared to base due to sensitivity	2.37%	(2.25%)	2.32%	(2.21%)
Salary growth rate (- / + 0.5%)	170.18	178.26	129.18	135.20
(% change compared to base due to sensitivity	(2.27%)	2.37%	(2.24%)	2.32%
Withdrawal rate (W.R.) (W.R.*x 90% / W.R.x 110%)	177.73	170.62	134.64	129.65
(% change compared to base due to sensitivity	2.07%	(2.02%)	1.89%	-1.88%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

IX Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

X Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.75 years.

Years	Cash flows (₹ Lakhs)	Distributions (%)
1st Following year	31.95	12.10%
2nd Following year	25.84	9.80%
3rd Following year	24.77	9.40%
4th Following year	24.19	9.20%
5th Following year	23.94	9.10%
Sum of years 6 to 10	68.64	26.10%

The future accrual is not considered in arriving at the above cash-flows.

XI The expected contribution for the next year is ₹59.84 lakhs

27 Depreciation and Amortisation

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation on Property, Plant & Equipments	86.66	65.03
Amortization on Right of use Asset	28.59	27.90
Amortisation of Intangible Asset	8.24	9.54
Total	**123.49**	**102.46**

28 Other Expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Electricity & fuel charges	48.73	44.11
Repairs to Building	11.11	25.44
Insurance	19.86	18.12
Rent (Refer Note 33)	292.19	279.11
Rates & taxes	38.30	22.46
Bank Charges	11.48	11.95
Stationery & printing	38.30	72.63
Communication	13.44	44.26
Traveling & conveyance expenses	900.25	831.54
Professional fees	381.81	281.97

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2024	As at March 31, 2023
Auditor's Remuneration*		
Audit fees	7.00	7.00
Tax Audit Fees	-	-
Certifications & Others	1.43	-
	8.43	**7.00**
Corporate Social Responsibility Expenditure (refer Note 32)	80.63	77.24
Director sitting fees	1.65	1.48
Net Loss on Derecognition of Intangible Assets	0.24	-
General charges (including security charges & membership fees etc.)	117.51	127.12
Total	**1,963.93**	**1,844.43**

29 Tax Expenses

The Components of income tax expense for the Year ended March 31, 2024 and March 31, 2023 are:

Particulars	As at March 31, 2024	As at March 31, 2023
Current Tax	4,925.00	2,045.00
Short/(excess) Provision of Tax of earlier years	2.82	15.10
Deferred tax	(521.37)	131.34
Total Tax Expense	**4,406.45**	**2,191.44**
Total tax charge		
Current Tax	4,927.82	2,060.10
Deferred Tax	(521.37)	131.34
Tax expense Recognised in the Statement of Profit and Loss	**4,406.45**	**2,191.44**

29.1 Reconciliation of the total tax charge

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

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax expense	18,239.78	8,911.20
Income tax rate %	25.17%	25.17%
Expected tax expense	**4,590.59**	**2,242.77**
Tax effect of :		
Tax effect of Temporary differences	(849.79)	(455.85)
Tax effect of deductible expenses	(129.18)	(115.33)
Tax effect of disallowed expenses	19.24	20.39
Tax Effect on other adjustments	775.59	499.46
Tax expense Recognised in the Statement of Profit and Loss	**4,406.45**	**2,191.44**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

30 Earning Per Share:

Particulars		As at March 31, 2024	As at March 31, 2023
Numerator used for calculating Basic Earning per share (PAT)	₹ in Lakhs	13,833.33	6,719.76
Numerator used for calculating Diluted Earning per share (PAT)	₹ in Lakhs	13,833.33	6,719.76
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	45,851,803	39,192,329
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	45,851,803	39,192,329
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	30.17	17.15
Diluted earnings per share	In ₹	30.17	17.15

30.1 Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

Ratio	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR	Tier II CRAR	Liquidity Coverage Ratio
Numerator	**Tier 1 & 2 Capital**	**Tier 1 Capital**	**Tier 2 Capital**	**Highly Liquid Assets**
Denominator	**Risk weighted Assets**	**Risk weighted Assets**	**Risk weighted Assets**	**Expected 30 days net cash outflow**
As at March 31, 2024				
Numerator (₹ In Lacs)	56,482.09	53,729.25	2,752.83	6,879.83
Denominator (₹ In Lacs)	1,72,226.71	1,72,226.71	1,72,226.71	3,532.03
Ratio (%)	32.80%	31.20%	1.60%	194.78%
As at March 31, 2023				
Numerator ₹	33,913.49	31,259.04	2,654.45	17,890.96
Denominator ₹	1,32,356.15	1,32,356.15	1,32,356.15	3,167.26
Ratio (%)	25.62%	23.62%	2.01%	564.87%
% Variance	27.99%	32.09%	(20.30%)	(65.52%)
Reason for variance (if above 25%)				Due to decrease in fixed deposit

The quarterly details on liquidity risk is uploaded on the website of the Company at www.namrafinance.com -> Company -> Corporate Governance

31 Contingent liabilities not provided for:

The disputed demand of GST amounting ₹3.34 Lakhs (P.Y. Nil) against which company had paid ₹0.17 Lakhs (P.Y Nil) under protest which are disclosed in "Other Non - Financial Assets".

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

32. Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR expense is ₹79.20 Lakhs (March 31, 2023: ₹43.13 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the company during the year	79.20	43.13
(b) Amount spent during the year		
i) Paid in Cash	80.63	77.24
ii) Transferred to unspent CSR a/c U/s 135(6)	Nil	Nil
Total of Amount Spent (refer note 28)	**80.63**	**77.24**

Nature of CSR activities:

To conduct various educational programs to help the needy / poor children by providing them financial support, providing scholarship, providing free note books / text books, providing them training of Computer or training for various skill development, and providing education infrastructure where they can get better education and can enhance their skills.

33 Leasing Arrangements:

The Company has entered into lease and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 84 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

I. Amount Recognized in Statement of Profit & loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Expenses related to Short Term Lease	292.19	279.11
ii) Interest Expense on Lease Liability	8.15	10.01
iii) Depreciation charge for right-of-use assets	28.59	27.90
Total	**328.93**	**318.02**

II. Amounts recognized in statement of cash flows (including Interest Component)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	37.52	35.84

III. Additions to right-of-use assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Addition to Right of used assets added	76.05	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

IV. Maturity analysis of lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	46.70	36.80
After one year but not more than five years	142.49	91.98
More than five years	-	-
Total undiscounted lease liabilities	**189.19**	**128.78**
Balances of Lease Liabilities		
Non-Current	120.03	82.03
Current	37.64	28.97
Total Lease Liability	**157.67**	**111.00**

34 Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35 Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Holding Company

Arman Financial Services Limited

B) Key Managerial Personnel

Mr. Jayendra Patel (Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

C) Non-Executive Directors and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Ramakant Nagpal	Independent Director
Mrs. Ritaben Patel	Non-Executive Director

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Year Ended March 31, 2024			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Expenses				
Interest Expense	187.44	Nil	Nil	187.44
Remuneration & perquisites Paid	Nil	111.26	Nil	111.26
Sitting fees	Nil	Nil	1.65	1.65
Rent paid	Nil	Nil	23.06	23.06
CSR Expense	Nil	Nil	80.63	80.63
Income				
Interest Income	19.75	Nil	Nil	19.75
Unsecured Loans Taken				
Unsecured Loan Taken	25,804.78	Nil	Nil	25,804.78
Unsecured Loan Repaid (Including Interest)	25,992.21	Nil	Nil	25,992.21
Unsecured Loans Given				
Unsecured Loan Given	3,074.84	Nil	Nil	3,074.84
Unsecured Loan Received back (Including Interest)	4,107.73	Nil	Nil	4,107.73
Subscription of Equity Share of Holding Company				
Subscription of Equity Share (including Premium)	8000.00	Nil	Nil	8000.00

Particulars	Year Ended March 31, 2023			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Expenses				
Interest Expense	179.48	Nil	48.10	227.58
Remuneration & perquisites Paid	Nil	72.61	Nil	72.61
Sitting fees	Nil	Nil	1.47	1.47
Rent paid	Nil	Nil	21.97	21.97
CSR Expense	Nil	Nil	77.24	77.24
Income				
Interest Income	20.81	Nil	Nil	20.81
Unsecured Loans Taken				
Unsecured Loan Taken	44,453.14	Nil	1,900.00	46,353.14
Unsecured Loan Repaid (Including Interest)	44,632.62	Nil	1,948.10	46,580.72
Unsecured Loans Given				
Unsecured Loan Given	11,498.88	Nil	Nil	11,498.88
Unsecured Loan Received back (Including Interest)	10,504.47	Nil	Nil	10,504.47

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

E) Details of Balances Outstanding from Related Parties:

Particulars	As at March 31, 2024			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Loan Given Outstanding Balance	Nil	Nil	Nil	Nil
Issuance of equity shares of holding company to the employees of company at discount (ESOP)	512.51	Nil	Nil	512.51
Corporate Guarantee Given by Holding Company for loan taken by subsidiary company	78,280.00	Nil	Nil	78,280.00
Outstanding Loan against Corporate Guarantee	43,955.14	Nil	Nil	43,955.14

Particulars	As at March 31, 2023			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Loan Given Outstanding Balance	1013.14	Nil	Nil	1013.14
Issuance of equity shares of holding company to the employees of company at discount (ESOP)	90.55	Nil	Nil	90.55
Corporate Guarantee Given by Holding Company for loan taken by subsidiary company	48,280.00	Nil	Nil	48280.00
Outstanding Loan against Corporate Guarantee	38,212.19	Nil	Nil	38212.19

List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

Nature of Payments	Related Party	2023-24	2022-23
Interest Expense	Arman Financial Services Limited	187.44	179.48
Interest Income	Arman Financial Services Limited	19.75	20.81
Interest Expense	Namra Holding & Consultancy Ser LLP	Nil	48.10
Loan Taken during the year	Arman Financial Services Limited	25,804.78	44,481.23
Loan and interest repaid during the year	Arman Financial Services Limited	25,992.21	44,660.71
Loan Given during the year	Arman Financial Services Limited	3,074.84	11,498.88
Loan received back during the year	Arman Financial Services Limited	4,107.73	10,506.55
Equity contribution	Arman Financial Services Limited	8,000.00	9,997.11
Remuneration	Aalok Patel	40.96	29.83
	Jayendra Patel	56.41	36.23
	Vivek Modi	13.89	6.55
Rent	Ritaben J. Patel	18.51	17.62
Sitting Fees	Ritaben J. Patel	0.80	0.60
	Ramakant Nagpal	0.85	0.87

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Nature of Payments	Related Party	2023-24	2022-23
CSR Expense	Arman Foundation	80.63	77.24
Corporate Guarantee Given By Holding Company for loan taken by subsidiary company	Arman Financial Services Limited	78,280.00	48,280.00
Outstanding Loan against Corporate Guarantee		43,955.14	38,212.19

Note: Expenses towards Gratuity are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in above information.

F) Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Post-employment benefits	6.87	5.08
Total	**6.87**	**5.08**

36. Revenue from contracts with customers:

Refer Para 3.9 (I) of significant accounting policies to the financial statements.

37. Amount Expected to be Recovered or Settled within or after 12 months from reporting date:

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

Particulars	Note No.	As at March 31, 2024			As at March 31, 2023		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	4,906.78	-	4,906.78	2,477.83	-	2,477.83
Bank Balance other than above	2	29,620.56	4,013.15	33,633.71	31,865.46	2,149.00	34,014.46
Loans	3	1,39,869.18	22,738.00	1,62,607.18	98,674.67	26,312.34	1,24,987.01
Investments	4	711.81	-	711.81	1,825.75	-	1,825.75
Other Financial assets	5	2,780.45	55.16	2,835.61	2,628.22	70.09	2,698.31
Non-financial Assets							
Deferred tax Assets (Net)	6	1,504.55	-	1,504.55	1,178.30	-	1,178.30
Property, Plant and Equipment & Other Intangible assets	7	-	445.16	445.16	-	433.06	433.06
Right-of-Use Assets	7	-	141.48	141.48	-	94.03	94.03
Other non-financial assets	8	75.22	-	75.22	67.48	-	67.48
Total Assets		**1,79,468.55**	**27,392.94**	**2,06,861.50**	**1,38,717.72**	**29,058.51**	**1,67,776.23**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Particulars	Note No.	As at March 31, 2024			As at March 31, 2023		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
(I) Other Payables	9						
(i) total outstanding dues of micro enterprises and small enterprises		62.91	-	62.91	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		97.55	-	97.55	118.74	-	118.74
Debt Securities	10	3,247.82	10,244.09	13,491.91	12,008.80	2,143.60	14,152.40
Borrowings (Other than Debt Securities)	11	88,662.33	39,238.21	1,27,900.54	62,324.99	50,773.61	1,13,098.60
Subordinated Liabilities	12	1,000.00	1,000.00	2,000.00	-	2,000.00	2,000.00
Other financial liabilities	13	6,635.25	79.37	6,714.62	4,773.70	110.99	4,884.70
Non-Financial Liabilities							
Current tax Liability (Net)	14	777.59	-	777.59	635.66	-	635.66
Provisions	15	59.84	114.28	174.12	42.42	89.71	132.13
Other non-financial liabilities	16	244.60	-	244.60	191.78	-	191.78
EQUITY							
Equity Share capital	17	-	4,936.00	4,936.00	-	4,536.00	4,536.00
Other Equity	18	-	50,461.66	50,461.66	-	28,026.22	28,026.22
Total Liabilities and Equity		**1,00,787.89**	**1,06,073.60**	**2,06,861.50**	**80,096.09**	**87,680.14**	**1,67,776.23**

38 Fair Value Measurements:

A Financial instrument by category and their fair value

As at March 31, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	-	1,62,607.18	-	-	1,62,607.18	1,62,607.18
Investments	4	-	711.81	-	711.81	-	-	711.81
Cash and Cash Equivalents	1	4,906.78	-	-	4,906.78	-	-	4,906.78
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2 & 5	34,291.29	-	-	-	34,291.29	-	34,291.29

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

As at March 31, 2024	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Deposits	5	19.78	-	-	-	-	19.78	19.78
Other Loans	5	9.11	-	-	-	-	9.11	9.11
Interest Due but not Received on Loans & Advances	5	858.83	-	-	-	-	858.83	858.83
Total Financial Assets		**40,085.78**	**711.81**	**1,62,607.18**	**5,618.59**	**34,291.29**	**1,63,494.90**	**2,03,404.77**
Financial Liabilities								
Debt Securities	10	13,491.91	-	-	-	-	13,491.91	13,491.91
Borrowings (Other than Debt Securities)	11	1,27,900.54	-	-	-	-	1,27,900.54	1,27,900.54
Subordinated Liabilities	12	2,000.00	-	-	-	-	2,000.00	2,000.00
Other Payables	9	160.46	-	-	-	-	160.46	160.46
Other financial liabilities	13	6,714.62	-	-	-	-	6,714.62	6,714.62
Total Financial Liabilities		**1,50,267.53**	**-**	**-**	**-**	**-**	**1,50,267.53**	**1,50,267.53**

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	1,013.14	-	1,23,973.87	-	-	1,24,987.01	1,24,987.01
Investments	4	1,024.89	800.86	-	800.86	-	1,024.89	1,825.75
Cash and Cash Equivalents	1	2,477.83	-	-	2,477.83	-	-	2,477.83
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2 & 5	34,995.67	-	-	-	34,995.67	-	34,995.67
Deposits	5	18.18	-	-	-	-	18.18	18.18
Other Loans	5	65.21	-	-	-	-	65.21	65.21
Interest Due but not Received on Loans & Advances	5	90.71	-	-	-	-	90.71	90.71
Total Financial Assets		**40,112.14**	**800.86**	**1,23,973.87**	**3,278.69**	**34,995.67**	**1,26,612.52**	**1,64,886.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Debt Securities	10	14,152.40	-	-	-	-	14,152.40	14,152.40
Borrowings (Other than Debt Securities)	11	1,13,098.60	-	-	-	-	1,13,098.60	1,13,098.60
Subordinated Liabilities	12	2,000.00	-	-	-	-	2,000.00	2,000.00
Other Payables	9	118.75	-	-	-	-	118.75	118.75
Other financial liabilities	13	4,884.70	-	-	-	-	4,884.70	4,884.70
Total Financial Liabilities		**1,34,254.45**	**-**	**-**	**-**	**-**	**1,34,254.45**	**1,34,254.45**

B Reconciliation of level 3 fair value measurement is as follows:

Loans	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**124,987.01**	**86,931.16**
Addition during the year	162,337.52	129,836.94
Amount derecognised / repaid during the year	(119,105.01)	(87,701.62)
Amount written off	(4,006.56)	(3,590.45)
Bad Debts Recovery	332.13	150.69
Gains/(losses) recognised in Statement of Profit & Loss	(1,937.91)	(639.70)
Balance at the end of the year	**162,607.18**	**124,987.01**

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last seven days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

D2 Regulatory capital

	As at March 31, 2024	As at March 31, 2023
Tier 1 Capital	53,729.25	31,259.04
Tier 2 Capital	2,752.83	2,654.45
Risk Weighted Assets	**172,226.71**	**132,356.15**
Tier 1 Capital Ratio (%)	31.20	23.62
Total Capital Ratio (%)	**32.80**	**25.62**

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

39 Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

Particulars	Note Reference	As at March 31, 2024	As at March 31, 2023
Financial Assets			
Loans	3	162,607.18	124,987.01
Investments	4	711.81	1,825.75
Fixed Deposit	2	32,988.84	33,338.01
Deposits	5	-	-
Total Financial Assets pledged as Security		**196,307.83**	**160,150.77**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

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

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

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

I Credit Risk

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

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

Loans and advances:

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

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

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

Particulars	Carrying amount	
	As at March 31, 2024	As at March 31, 2023
Retail assets	1,62,607.18	1,23,973.87
Loans to NBFC-to Create the underlying assets of SME, TW	-	1,013.14
Total	**1,62,607.18**	**1,24,987.01**

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

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios but the company has only one portfolio group i.e. Micro Finance to JLG group.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Staging:

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

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

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

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

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

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

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

The Company has assessed that credit risk on loans to employee is in significant based on the empirical data.

EXPECTED CREDIT LOSS FOR LOANS:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Marginal probability of default:

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

Marginal probability:

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

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios. Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

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

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

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:

   a) Outstanding balance (POS).

   b) Recovery amount (discounted yearly) by initial contractual rate.

   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.

   d) Collateral (security) amount.

   The formula for the computation is as below:

   % Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

   % LGD = 1 – recovery rate

EAD:

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

Discounting:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening provision of ECL	5,356.42	4,716.71
Addition during the year	7,173.98	3,366.46
Utilization / reversal during the year	(5,236.07)	(2,726.75)
Closing provision of ECL	**7,294.33**	**5,356.42**

Changes in ECL allowances in relation to Interest Receivable on Credit Impaired Loans and Advances from beginning to end of reporting period:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening provision of ECL	426.52	242.77
Addition during the year	535.15	306.16
Utilization / reversal during the year	(361.66)	(122.41)
Closing provision of ECL	**600.02**	**426.52**

The Company has taken expert advice from Actuary Valuer for making provision for ECL and accounted ECL provision based on ValautION report provided by Kapadia Actuaries and Consultants.

II Liquid Risk:

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

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

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

Capital adequacy ratio of the Company, as on March 31, 2024 is 32.80 against regulatory norms of 15%. Tier I capital is 31.20 as against requirement of 10%. Tier II capital is 1.60 which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹360 lakhs spread across 3 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month to 2 Months	Over 2 Months up to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Year up 5 Years	Over 5 Years	Total
As at March 31, 2024									
Debt Securities (Refer Note 10)	-	363.64	-	363.64	2,520.54	6,216.09	4,028.00	-	13,491.91
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	6,937.50	6,913.80	8,231.45	20,908.98	46,670.61	39,238.21	1,000.00	-	1,29,900.54
Trade Payables		160.46							160.46
As at March 31, 2023									
Debt Securities (Refer Note 10)	-	3,454.65	-	-	8,554.51	2,143.60	-	-	14,152.77
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	6,568.13	7,030.30	7,093.46	21,007.71	20,625.02	51,773.61	-	1,000.00	1,15,098.22
Trade Payables	-	118.74	-	-	-	-	-	-	118.74

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.

Sensitivity

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

	For the year ended on March 31, 2024	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits (Refer Note 2)	33,633.71	33,633.71
Impact on profit for the year	168.17	(168.17)
Variable Rate Borrowings (Refer Note 11)	127,900.54	127,900.54
Impact on profit for the year	(639.50)	639.50

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

V Foreign currency risk:

As at March 31, 2024, the company has outstanding foreign currency borrowings of Nil (March 31, 2023: Nil). The Company has undertaken principal swaps and cross currency swaps to hedge the foreign currency risk of the ECB principals. Whereas the company has entered into floating to fixed coupon only swaps and interest rate swaps along with forward contracts to hedge the floating interest and foreign currency risk of the coupon payments. All the derivative instruments are purely for hedging the underlying ECB transactions as per applicable RBI guidelines and not for any speculative purpose.

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company's risk management policies.

VI Foreign currency risk exposure

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹ Nil.

41. Additional Regulatory Disclosures (Non IND AS):

The disclosures required by amendment to Division II of Schedule III of the Companies Act, 2013 are given only to the extent applicable:

i. During the year under Consideration the company has not traded or invested in crypto currency or virtual currency.

ii. The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

iii. The borrowing from the banks & financial institutions has been used for the specific purpose for which it was taken at the balance sheet date.

iv. There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961."

v. The company has not entered in to transaction with any companies which are struck off under section 248 of the Companies Act, 2013.

vi. During the year there has been no change in the aggregate of the net carrying value of assets on account of revaluation in respect of Property, Plant & Equipment and intangible assets.

vii. There are no intangible assets under development in the Company during the current reporting period.

viii. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above.

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

ix. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

x. There is no charge which are pending for satisfaction with registrar of companies beyond the statutory period except.

Description of Charges	Charges Creation ₹ In Lakhs	Location of Registrar	Period up to which satisfaction registered	Reason for Delay
Term Loan from Following Banks & Financial Institutes				
Vivriti Capital Private Limited	3,000.00	Gujarat	-	The Company has repaid loans but NOC from respective Banks and financial Institutions are yet to be received.
ICICI Bank Limited	500.00			
Northern Arc Capital Limited	5,000.00			
The Federal Bank Ltd	1,300.00			
Mas Financial Services Limited	3,000.00			
HDFC Bank Limited	5.00			
Catalyst Trusteeship Limited	241.14			

42. Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (updated as on February 22, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below (Regulatory (Non-IND AS) Information):

A. Capital to risk assets ratio (CRAR)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
(i)	CRAR (%)	32.80%	25.62%
(ii)	CRAR Tier I Capital (%)	31.20%	23.62%
(iii)	CRAR Tier II Capital (%)	1.60%	2.00%
(iv)	Amount of subordinated debt raised as Tier-II Capital	2000	2000
(v)	Amount raised by issue of perpetual debt instruments	Nil	Nil

B. Investments

Particulars	March 31, 2024	March 31, 2023
(1) Value of investments		
(i) Gross value of investments		
(A) In India	711.81	1,825.75
(B) Outside India	Nil	Nil
(ii) Provision for deprecation		
(A) In India	Nil	Nil
(B) Outside India	Nil	Nil
(iii) Net value of investments		
(A) In India	711.81	1,825.75
(B) Outside India	Nil	Nil
(2) Movement of provisions held towards Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add: provisions made during the year	Nil	Nil
(iii) Less: write-off/write-back of excess provisions during the year.	Nil	Nil
(iv) Closing balance	Nil	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

C. Company has no transactions /exposures in derivatives in the current year and previous year. Un-hedge foreign currency exposure as on 31st March, 2024 is Nil (P.Y. is Nil).

D. Disclosure relating to securitization:

The Company has entered into transaction of Securitization (PTC) of ₹16,705.59 Lakhs during the Year Ended March 31, 2024 and previous years of ₹31,835.73 Lakhs.

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1)	No of SPVs sponsored by the company for securitization transactions	4	13
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	14,780.58	21,419.96
3)	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	1,199.60	2,944.25
	• Others	Nil	Nil
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil

E. Details of financial assets sold to securitization / reconstruction Company for asset reconstruction

The Company has not sold financial assets to securitization/reconstruction Company for asset reconstruction during the year (Previous Year: Nil)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

F. Details of assignment transactions undertaken by NBFC:

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
i)	No. of Accounts	1,41,517	93,248
ii)	Book value of loans assets assigned during the year	55,907.40	35,975.22
iii)	Sale consideration received during the year	50,199.02	31,318.89
iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v)	Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	3,475.54	1877.61

G. Details of non-performing assets purchase / sold

The Company has not purchased/sold non performing financial assets in the current and previous year.

H. Assets Liability Management

Maturity pattern of certain Assets and Liability as on March 31, 2024

	Up to 30/31 days	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
Deposits	3995.10	176.00	754.07	1,305.35	23,390.04	4,013.15	-	-	33,633.71
Advances (Gross)	11,790.34	12,321.21	12,810.71	38,020.32	72,220.93	22,738.00	-	-	1,69,901.51
Investments	-	-	-	-	711.81	-	-	-	711.81
Cash & Cash Equivalent	4,906.78	-	-	-	-	-	-	-	4,906.78
Borrowings	6,937.50	7,277.44	8,231.45	21,272.61	49,191.15	45,454.30	5,028.00	-	1,43,392.44
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities (Included in above Borrowings)	-	-	-	-	-	-	-	-	-

I. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

J. Exposure to Real Estate Sector

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

K. Details of financing of parent Company products:

Not Applicable

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: **Nil**

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: **Nil**

M. Unsecured Advances:

i) Refer Note no. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (March 31, 2023: **Nil**).

N. Registration obtained from other financial sector regulators.

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

i) Ministry of Corporate Affairs

ii) Ministry of Finance

O. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

P. Grading assigned by credit rating agencies and migration of ratings during the year-

The Credit Analysis & Research Limited has assigned rating of "MFI 1" during the year.

Q. Rating assigned by credit rating agencies and migration of ratings during the year 2023-24

Sr. No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
1	Bank Loan Ratings	Acuite Research & Ratings	05-Feb-24	ACUITE A- | Outlook - Stable	Note 1	43700
2	Non Convertible Debentures	Acuite Research & Ratings	05-Feb-24	ACUITE A- | Outlook - Stable	Note 1	4000
3	Non Convertible Debentures	Acuite Research & Ratings	05-Feb-24	PP-MLD | ACUITE A- | Outlook Stable	Note 1	4200
4	Non Convertible Debentures	Acuite Research & Ratings	18-Aug-23	ACUITE A- | Outlook - Stable	Note 1	4000
5	Non Convertible Debentures	CRISIL Ratings	12-Dec-23	CRISIL BBB+ | Outlook - Stable	Note 1	4600
6	Non Convertible Debentures	CARE Ratings	06-Mar-24	CARE A- | Outlook - Stable	Note 1	4100
7	Securitisation	CARE Ratings	01-Oct-23	CARE A+ (SO)	Note 1	3073
8	Securitisation	CARE Ratings	01-Jun-23	CARE A (SO)	Note 1	2792
9	Securitisation	ICRA	19-Jul-23	ICRA A+ (SO)	Note 1	2115
10	Securitisation	CARE Ratings	21-Apr-23	CARE A (SO)	Note 1	6801
11	Securitisation	CARE Ratings	26-Jun-23	CARE A+ (SO)	Note 1	2702

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

Ratings assigned by credit rating agencies and migration of ratings during the Previous year 2022-23

Sr. No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
1	Bank Loan Ratings	Acuite Research & Ratings	12-Jan-23	ACUITE A- | Outlook - Stable	Note 1	32200
2	Non Convertible Debentures	Acuite Research & Ratings	12-Jan-23	PP-MLD | ACUITE A- | Outlook Stable	Note 1	4200
3	Non Convertible Debentures	CARE Ratings	03-Jan-23	CARE BBB+ | Outlook - Stable	Note 1	4875
4	Non Convertible Debentures	CARE Ratings	03-Jan-23	CARE BBB+ | Outlook - Stable	Note 1	3455
5	Non Convertible Debentures	CARE Ratings	03-Jan-23	CARE BBB+ | Outlook - Stable	Note 1	2275
6	Securitisation	ICRA	12-Jan-23	ICRA A+ (SO)	Note 1	2275
7	Securitisation	ICRA	09-Dec-22	ICRA AA- (SO) Upgraded from ICRA A+(SO)	Nov-23	1706
8	Securitisation	ICRA	09-Dec-22	ICRA AA- (SO) Upgraded from ICRA A (SO)	Nov-23	804
9	Securitisation	ICRA	07-Nov-22	ICRA A+ (SO)	May-24	2180
10	Securitisation	ICRA	17-Oct-22	ICRA AA- (SO) Upgraded from ICRA A (SO)	Nov-23	1660
11	Securitisation	ICRA	03-Oct-22	ICRA A+ (SO)	Apr-24	1810
12	Securitisation	ICRA	23-Sep-22	ICRA A+ (SO)	Apr-24	2874
13	Securitisation	ICRA	07-Sep-22	ICRA A- (SO)	Mar-24	1347
14	Securitisation	ICRA	12-Jan-23	ICRA A+ (SO)	Oct-23	2235
15	Securitisation	CARE Ratings	28-Mar-23	Provisional CARE A+ (SO)	Nov-24	2702
16	Securitisation	CARE Ratings	12-Jan-23	CARE A (SO)	Nov-23	4443
17	Securitisation	CARE Ratings	09-Nov-22	CARE A+ (SO)	Mar-24	4129
18	Securitisation	CARE Ratings	20-Sep-22	CARE A (SO)	Mar-24	3650

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

R. Remuneration of Directors

Refer Note no. 35 of Financial Statements.

S. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

T. Net Profit of Loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

U. Revenue Recognition

Refer Para 3.1 of significant accounting policies to the financial statements.

V. Ind AS 110 - consolidated financial statements (CFS)

Not Applicable

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

W. Provisions and Contingencies

The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' showed under the head expenditure in the statement of profit and loss.	As at March 31, 2024	As at March 31, 2023
Provision made towards income tax	4927.82	2060.10
Provision for employee benefits	53.29	32.78
Provision towards impaired assets (Stage3)	1199.36	713.32
Provision towards impaired assets (Stage1 and 2)	738.55	(73.61)
Provision towards Interest on Credit impaired assets	173.49	183.75

X. Drawn down from Reserves:

There is no draw down from reserves during the year.

Y. Concentration of deposits (for deposit taking NBFCs):

Not applicable, Non-Deposit Taking NBFC

Z. Concentration of advances:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

AA. Concentration of exposure:

The Company is in Retail Advance Segment hence there is no such substantial Concentration.

BB. Concentration of Stage 3 assets:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

CC. Sector-wise Stage 3 assets (Gross):

Sector	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2024	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2023
Micro Finance	2.94%	2.76%

DD. Movement of Stage 3 Assets:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Net stage 3 assets to net advances (%)	0.16%	0.05%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	3,655.79	3,384.60
(b) Additions during the year	5,091.79	2,357.88
(c) Reductions during the year	(3,700.66)	(2,086.69)
(d) Closing balance	5,046.91	3,655.79
(iii) Movement of net stage 3 assets		
(a) Opening balance	63.07	505.19
(b) Additions during the year	409.21	264.59
(c) Reductions during the year	(217.44)	(706.71)
(d) Closing balance	254.83	63.07

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (all Amounts are in ₹ in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	3,592.72	2,879.40
(b) Additions during the year	4,682.58	2,093.29
(c) Reductions during the year	(3,483.22)	(1,379.97)
(d) Closing balance	4,792.08	3,592.72

EE. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil

FF. Details of Average interest and charges paid on borrowing and charged on loans given to JLG

Particulars	Rate of Interest in %
Average interest rate on borrowings	13.15%
Average interest rate on Loans given to JLGs	27.69%

GG. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	No. of complaints pending at the beginning of the year	2	Nil
b)	No. of complaints received during the year	99	134
c)	No. of complaints redressed during the year	96	132
d)	No. of complaints pending at the end of the year	5	2

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at beginning of year	Number of complaints received during year	% increase/ decrease in number of complaints received over previous year	Number of complaints pending at end of year	Of 5, number of complaints pending beyond 30 days
FY 23-24					
Rectification in Credit Bureau Report	-	15	100.00%	-	-
Delay in releasing NOC	-	4	(90.24%)	1	-
Closer & Settlement	-	68	(26.88%)	4	-
Clarification on Statement of Accounts	-	12	100.00%	-	-
FY 22-23					
Rectification in Credit Bureau Report	-	-	-	-	-
Delay in releasing NOC	-	41	(10.86%)	-	-
Compliant regarding Collection process	-	-	-	-	-
Closer & Settlement	-	93	(12.26%)	2	-
Others	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

43. Disclosures required as per Circular DOR (NBFC) CC.PD. No. 109/22.10.106/2019-20- Implementation of Indian Accounting Standard (Regulatory (Non-IND AS) Information):

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms**	Difference between IND AS 109 Provision and IRACP Norms
A. Performing Assets						
Standard	Stage 1	1,60,846.74	1,239.43	1,59,607.31	Nil	1,239.43
	Stage 2	4,007.85	1,262.82	2,745.03	Nil	1,262.82
Subtotal		**1,64,854.60**	**2,502.25**	**1,56,862.28**	**Nil**	**2,502.25**
B. Non-Performing Assets						
Sub standards	Stage 3	5,046.91	4792.08	254.83	2,397.31	2,394.77
Doubtful up to 1 year	Stage 3	Nil	Nil	Nil	Nil	Nil
1 to 3 years	Stage 3	Nil	Nil	Nil	Nil	Nil
More than 3 years	Stage 3	Nil	Nil	Nil	Nil	Nil
Loss	Stage 3	Nil	Nil	Nil	Nil	Nil
Subtotal of NPA		**5,046.91**	**4792.08**	**254.83**	**2,397.31**	**2,394.77**
Total	Stage 1	1,60,846.74	1,239.43	1,59,607.31	Nil	1,239.43
	Stage 2	4,007.85	1,262.82	2,745.03	Nil	1,262.82
	Stage 3	5,046.91	4792.08	254.83	2,397.31	2,394.77
Total		**1,69,901.51**	**7,294.33**	**1,62,607.18**	**2,397.31**	**4,897.02**

*As per Master Circular - 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs)-directions dated July 1, 2015 vide reference no. RBI/2015-16/20, DNBR (PD) CC.No.047/03.10.119/2015-16, provisioning for the Non-AP portfolio would be as per the December 02, 2011 directions with effect from April 1, 2013 is "The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of (a) 1% of the outstanding loan portfolio (₹2,193.11 Lakhs) or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more (₹2,397.31 Lakhs)".

** The provision given in Stage I & Stage II includes contingent provision on standard assets @ 0.40% ₹659.42 lakhs as per the requirement of Master Direction - Reserve Bank of India (Non-Banking Finance Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023

44. Information as required in terms of Paragraph 19 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below (Regulatory (Non-IND AS) Information):

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:

Sr No.	Particulars	Year ended March 31, 2024 Amount Outstanding	Year ended March 31, 2024 Amount Overdue
a)	Debentures : Secured	13,658.99	Nil
	: Unsecured (Other Than falling within the meaning of public deposits*)	Nil	Nil
b)	Deferred Credits	Nil	Nil
c)	Term Loans	1,13,469.96	Nil
d)	Inter-Corporate Loans and borrowings	Nil	Nil
e)	Commercial Paper	Nil	Nil
f)	Other loans:		Nil
	i) From Banks (Cash Credit/OD)	18,476.44	Nil
	ii) From a Company	Nil	Nil
	iii) Security Deposits	Nil	Nil
	iv) Advances Received against loan agreements	Nil	Nil

*Please see note 1 below

B. Break-up of (1)(f) above (outstanding public deposits* inclusive of interest accrued thereon but not paid):

Sr No.	Particulars	Year ended March 31, 2024 Amount Outstanding	Year ended March 31, 2024 Amount Overdue
a)	In the form of unsecured debentures	Nil	Nil
b)	In the party secured Debentures i.e. debenture where there is shortfall in the value of security	Nil	Nil
c)	Other public deposits	Nil	Nil

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below)

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
a)	Secured	Nil
b)	Unsecured	1,62,607.18

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
(i)	Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	Nil
	b) Operating Lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	Nil
	b) Repossessed assets	Nil
iii)	Other loans counting towards AFC activities	Nil
	a) Loans where assets have been reprocessed	Nil
	b) Loans other than a) above	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

E. Break-up of Investments

Refer Note 42 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above:

Sr. No.	Category	Amount net of Provisions		
		Secured	Unsecured	Total
1	**Related Parties****			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies with the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
2	**Other than related parties**	Nil	1,62,607.18	1,62,607.18
	Total	**Nil**	**1,62,607.18**	**1,62,607.18**

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

Sr. No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	**Related Parties****		
	a) Subsidiaries	Nil	Nil
	b) Companies in the same group	Nil	Nil
	c) Other related parties	Nil	Nil
2	**Other than related parties**	711.81	665.00
	Total	**711.81**	**665.00**

**As per Ind AS issued by MCA (Refer Note 3 below)

H. Other Information:

Sr. No.	Particulars	Amount
(i)	**Gross non-performing Assets**	
	a) Related parties	Nil
	b) Other than related parties	5,046.91
(ii)	**Net non-performing assets**	
	a) Related parties	Nil
	b) Other than related parties	272.67
(iii)	**Assets acquired in satisfaction of debt**	**Nil**

Notes:

1) As defined in point xix of paragraph 3 of Chapter - 2 of these Directions.
2) Provisioning norms are applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3) All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in E above.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. *(all Amounts are in ₹ in Lakhs, unless otherwise stated)*

45. Public Disclosure on Liquidity Risk for the year ended March 31, 2024 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (₹ in Lakhs)*	% of Total Deposits	% of Total liabilities[3]
As at March 31, 2024	27	1,28,744.99	-	85.00%
As at March 31, 2023	29	1,13,544.59	-	83.97%

*Includes securitization liabilities exposure

(ii) Top 20 large deposits

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 20 large deposits	-	-
Percentage of amount of top 20 large deposits to total deposits	-	-

Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 10 borrowings*	84,237.40	76,663.96
Percentage of amount of top 10 borrowings to total borrowings	58.75%	59.31%

*Includes securitization liabilities exposure

(iv) Funding concentration based on significant instrument/product[2]

Sr. No.	Name of the instrument/product	As at March 31, 2024		As at March 31, 2023	
		Amount	% of Total Liabilities[3]	Amount	% of Total Liabilities[3]
1	Redeemable non-convertible debentures (Secured)	13,491.91	8.91%	14,152.40	10.47%
2	Term loan from banks	65,257.54	43.08%	43,435.03	32.12%
3	Term loan from financial institutions/ Corporates	38,118.23	25.17%	40,015.85	29.59%
4	Other Term Loans (PTC Transactions & C.C)	6,048.32	3.99%	17,912.01	13.25%
5	Subordinated debts	2,000.00	1.32%	2,000.00	1.48%
6	Short term Funding (C.C.)	18,476.44	12.20%	11,735.71	8.68%

(v) Stock ratios: (₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2024			As at March 31, 2023		
		As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets	As % of total public Funds[4]	As % of total liabilities[3]	As % of total assets
(a)	Commercial papers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b)	Non-convertible debentures (Original maturity of less than one year)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c)	Other short-term liabilities[5]	64.91%	61.45%	44.99%	57.60%	55.06%	44.38%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024. (*all Amounts are in ₹ in Lakhs, unless otherwise stated*)

***Notes:**

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R. NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R. NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4. Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
5. Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.
6. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2024 and March 31, 2023.

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

47. As required in terms of paragraph 48 of Non-Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, schedule to the Balance Sheet of a Non-Banking Financial Company are annexed hereto.

48. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year, impact of the same is not material to the financial statements.

For & on behalf of the Board of Directors of
Namra Finance Limited

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 27.05.2024

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

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Arman Financial Services Limited

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