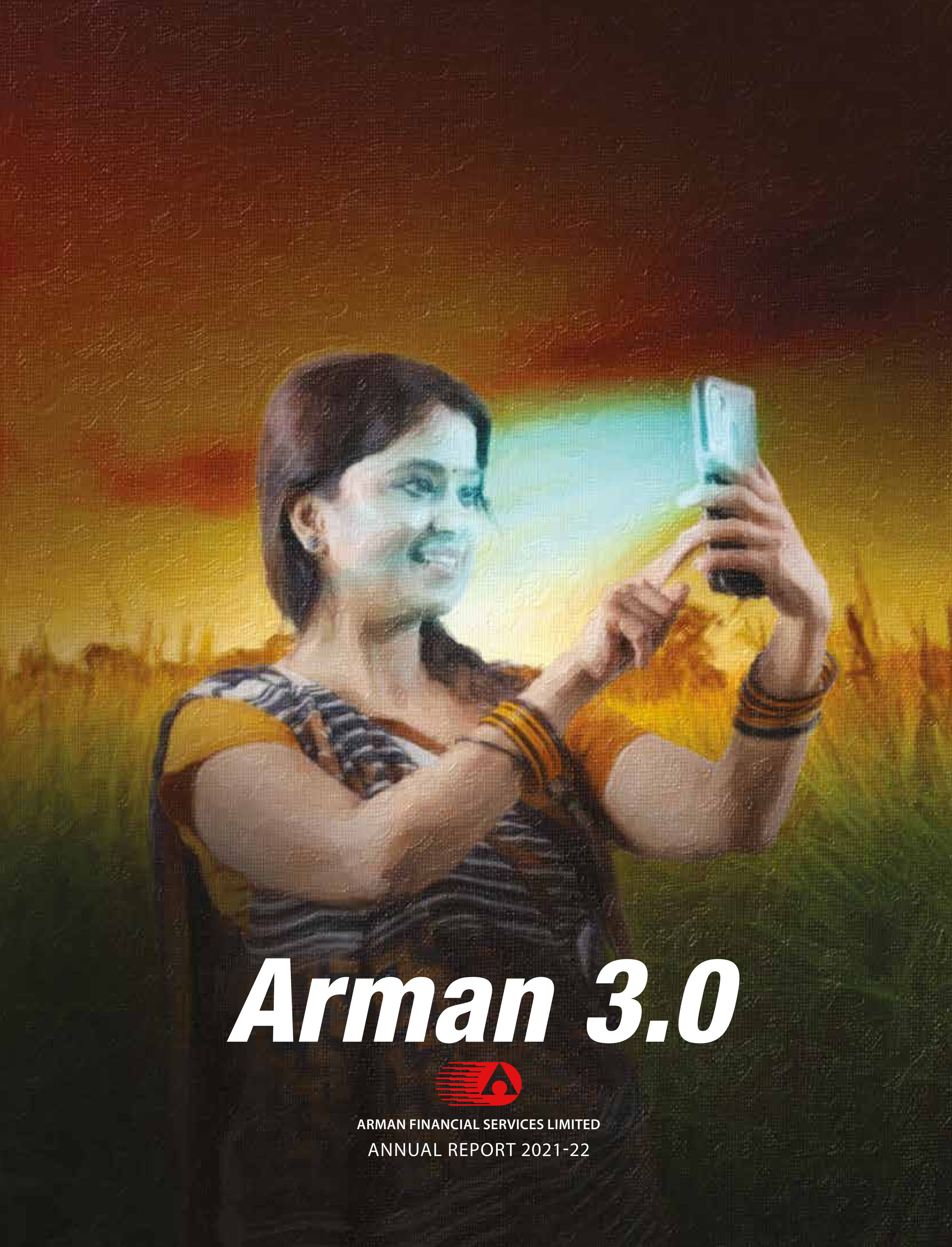

Arman 3.0

ARMAN FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2021-22

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Arman stands today at the cusp of scaling new heights.

Leveraging the digital transformation, we are empowered to harness the unfolding opportunities of the future, to deliver sustained value across our stakeholder groups.

Infused with the new drive, we will steer the next phase of our growth and expansion, by harnessing the power of technology and innovation to create a smarter organisation that will enhance customer experience.

Building on the three-decade legacy of our deep-rooted values and sustainability focus, we are surging ahead to reinforce the Arman brand.

This is our Journey **3.0**

We are not new to digital technology.

It's always been there. As we created new revenue streams and stabilised its operations, we deployed digital solutions for its management. It was a step in the right direction. It worked well for us. It accelerated our growth. It served the purpose for which it was deployed.

But then change is the only constant. The adage is most apt for the digital technology space where solutions evolve at the speed of light… sometimes even faster. The same solutions that accelerated us forward in yester years, held us back now…. for multiple reasons.

The writing on the wall was clear… we needed to change. From vertical-wise digital transformation into organisation-wide digital integration.

Easily said than done. For it meant getting three different revenue verticals platformed on a single technology. Customising it in a manner that all their diverse business process and finer nuances are seamlessly incorporated. And integrating them to give a holistic picture of the Group. Which, if and when required, can be zoomed in to give incisive data for a district, village, pin code and customer.

It was challenging but it had to be done. For our profitable growth and sustained success.

We zeroed in on a comprehensive solution that will create a seamlessly connected organisation even as we widen our footprint across India.

About the solution

- Completely integrated Loan Origination System (LOS), Loan Management System (LMS), and Accounts for all products offered by the Company.
- The software, web and mobile applications are Java platformed which makes them more secure and least vulnerable.
- Over a dozen APIs with third party vendors for efficient and seamless operations.
- The solution will use a cloud based Oracle database which is highly efficient, scalable and secure.
- It comes with a Firewall secured AWS cloud server setup ensuring complete data security.
- It offers a Load-balanced server setup, flexible for instant upgradation for increased load and traffic.
- It offers Redshift, a large data analytics tool to optimize risk monitoring and provide predictive insights.
- It provides a complete Audit Trail; and many other advantages.

We have piloted the system for all our verticals for more than six months. We have checked the flexibility of the system to ensure that it can accommodate all scenarios/peculiarities we have experienced in our three-decade journey. We find the results very encouraging.

We will 'GO LIVE' for this organisation-wide digital integration in FY23.

This solution promises to save considerable time – thereby enhancing the team's productivity significantly.

The speed in customer management

INSTANT VERIFICATION OF KEY DETAILS

The system facilitates instant verification

- KYC Validation through OCR and face recognition
- Mobile No. verification through OTP.
- Customer identity verification through UPI System
- Bank Account verification through "penny-drop

INSTANT FIRST-LEVEL CREDIT ASSESSMENT

- Immediate household based credit assessment through Credit Bureau API integration and robust rule engine.
- Algorithm based based risk assessment.
- Fully compliant with new RBI regulations for household income assessment.
- Overlapping customers will be alerted by the system across products and divisions to avoid over-indebtedness.

TRACEABILITY

- Better customer traceability by 4D customer Geotagging (Latitude, Longitude, House Picture and Auto address capture through Google)
- Centre Branch Geo fencing to avoid any slippages in the defined process
- Audit trail of each stage

CUSTOMER GAIN

- Paperless disbursement through eSign
- Providing intimation of each relevant transaction through SMS to every customer
- Tele-calling will happen through the system with a call recording facility
- Will develop customer facing app post implementation

A win-win proposition

~50%

Reduction in TAT
between sourcing documents and fund disbursement

The gain in customer management

SUPERIOR COLLECTION

- Mobile-based collection at Point of transaction
- Customized UPI QR code to each customer facilitating them to Go Cashless
- An easy way out to Prepone and postpone the due dates in case of Holidays
- Instant acknowledgment SMS to the customer in vernacular languages

LOAN MANAGEMENT

- Loan Utilization check
- Instant pre-closure and pre-settlement and its simulation for the customer to understand
- Hassle-free check in case of advance or Overdue collection
- Centre & Customer categorization based on repayment trends

The features for the corporate office

At the Corporate Level, the Management team will have all data at the click of a button. We will be able to customise reports in the way we like. More important, we will have a Single Source of Truth (database). Rather than focusing on getting the data right, now we will invest our time in incisive analysis for undertaking and implementing data-backed strategies.

Some of the features of this system for the Management team include

- **Realtime business and collections tracking through dashboard**

  We have the pulse of the business at our fingertips

- **Resource Planning**

  We can get the right resources, in the right place at the right time. Always!

- **Location-based information**

  Geotagging and real-time location tracking of our field force will allow us to optimize efficiency and generate village level heat maps to make better decisions.

- **Productivity analysis**

  We know exactly who is doing what – at the district level, branch level or field officer level.

- **Trend analysis**

  We can utilise all the data to understand trends based on customer profile, regional, age group, etc. – the list appears endless.

- **Descriptive and diagnostic analysis of historical data**

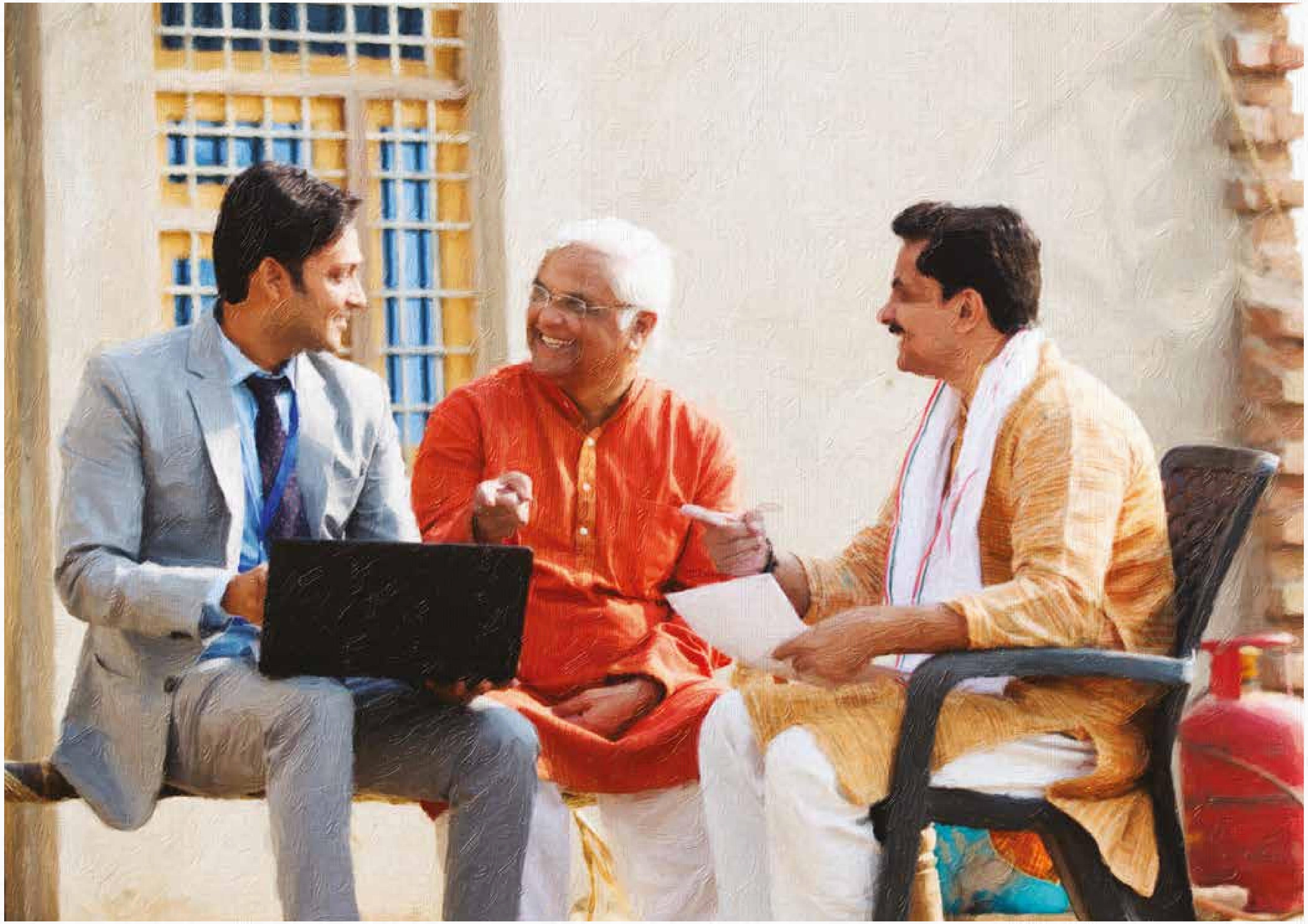
  The system will populate a detailed diagnostic analysis about what went wrong or right historically and why it happened.

- **Predictive Business planning & Simulations**

  We will be able to derive a balanced and prudent business plan considering and simulating multiple factors

- **Automatic business target planning considering different indicators**

  We can break down the strategic plan into targets/goals for the various teams after considering multiple realities.



In a nutshell, we will be alive to realities and possibilities and agile to capitalise on every opportunity that comes our way.

About the Company

This is us

Arman Financial Services Limited

Supporting the small dreams of the brave hearts of India for 30 years… and counting!

For 30 years, Arman Financial Services Ltd has been a pioneer in the finance sector, releasing the dreams of the low-income strata of society. Listed in 1995 on Indian Stock Exchanges, three years after its inception, Arman Financial Services Ltd. (NSE: ARMANFIN; BSE: 531179) is a Category A Non-Banking Finance Company (NBFC), which provides lending services primarily in the Two-Wheeler, Micro-Enterprise (MSME), and Microfinance segment. (Microfinance business is conducted through its wholly-owned subsidiary, Namra Finance Ltd.)

Arman is one of the market leaders in the NBFC space across the underpenetrated low-income parts of the country providing livelihood promotion services such as micro-credit to socio-economically backward people, who have no or little access to the formal banking system or regular NBFC services.

With a customised bouquet of services for those at the bottom of the financial ecosystem, the Company nurtures business through its extensive network. The Company's very small business loans give wings to the dreams of socially and financially underprivileged people.

466,364
Active customers (March 31, 2022)

2,413
Team Size (March 31, 2022)

291
Branches

1,233.2
Assets under Management, March 31, 2022 (₹ crore)

1,022
Disbursements, FY22 (₹ crore)

235.31
Income from Operations, FY22 (₹ crore)

840.28
Market Capitalisation, March 31, 2022 (₹ crore)

A- (STABLE OUTLOOK)
ACUITE Ratings

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

Our business verticals

	Microfinance	Micro-Enterprise (MSME)	Urban & Rural Two-Wheeler
% of Total AUM	83%	13%	4%
Security	Unsecured / Joint Liability Based	Unsecured / Cash flow & FOIR based	Hypothecation of Vehicle
Ticket size	INR 25-60K	INR 50-200k	INR 30-80k
Tenure	18-24 months	18-24 months	12-36 months
Disbursement	100% Cashless	100% Cashless	100% Cashless to dealer
Credit Check	CRIF / Equifax Score; JLG Model with Training, Home Visit, Life Style Appraisal	CIBIL & CRIF Score; Detailed Cash Flow Assessment; Home & Business Field Investigation	CIBIL / CRIF Score, Cash Flow Assessment & Field Investigation
Collections	Cash collection at centre meeting with cash-less option	Door step cash collection with cash-less option	NACH / Direct Debit

Our Funding Partners

Bank Borrowings

- AU Small Finance Bank
- पंजाब नैशनल बैंक punjab national bank
- DCB BANK
- केनरा बैंक Canara Bank
- FEDERAL BANK
- HDFC BANK We understand your world
- Bank of India
- Union Bank of India
- ICICI Bank
- बैंक ऑफ़ बड़ौदा Bank of Baroda
- IDBI BANK
- State Bank of India
- SBM bank
- AXIS BANK
- IDFC FIRST Bank
- YES BANK
- Bank of Maharashtra

Non-Bank Borrowings

- AVANSE
- MAS
- TATA CAPITAL
- MANAPPURAM FINANCE LIMITED
- NABSAMRUDDHI FINANCE LIMITED
- NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
- NORTHERN ARC
- UGRO CAPITAL
- SIDBI
- CREDIT SAISON INDIA
- vivriti capital
- BAJAJ FINSERV
- HeroFinCorp.
- HINDUJA LEYLAND FINANCE
- OIKO CREDIT
- MAGMA
- mudra

Securitization Partners

- AU Small Finance Bank
- DCB BANK
- ICICI Bank
- IndusInd Bank
- kotak Kotak Mahindra Bank
- niyogin
- IDFC FIRST Bank
- JANA SMALL FINANCE BANK

NCDs & ECB

- AGENTS FOR IMPACT
- symbiotics

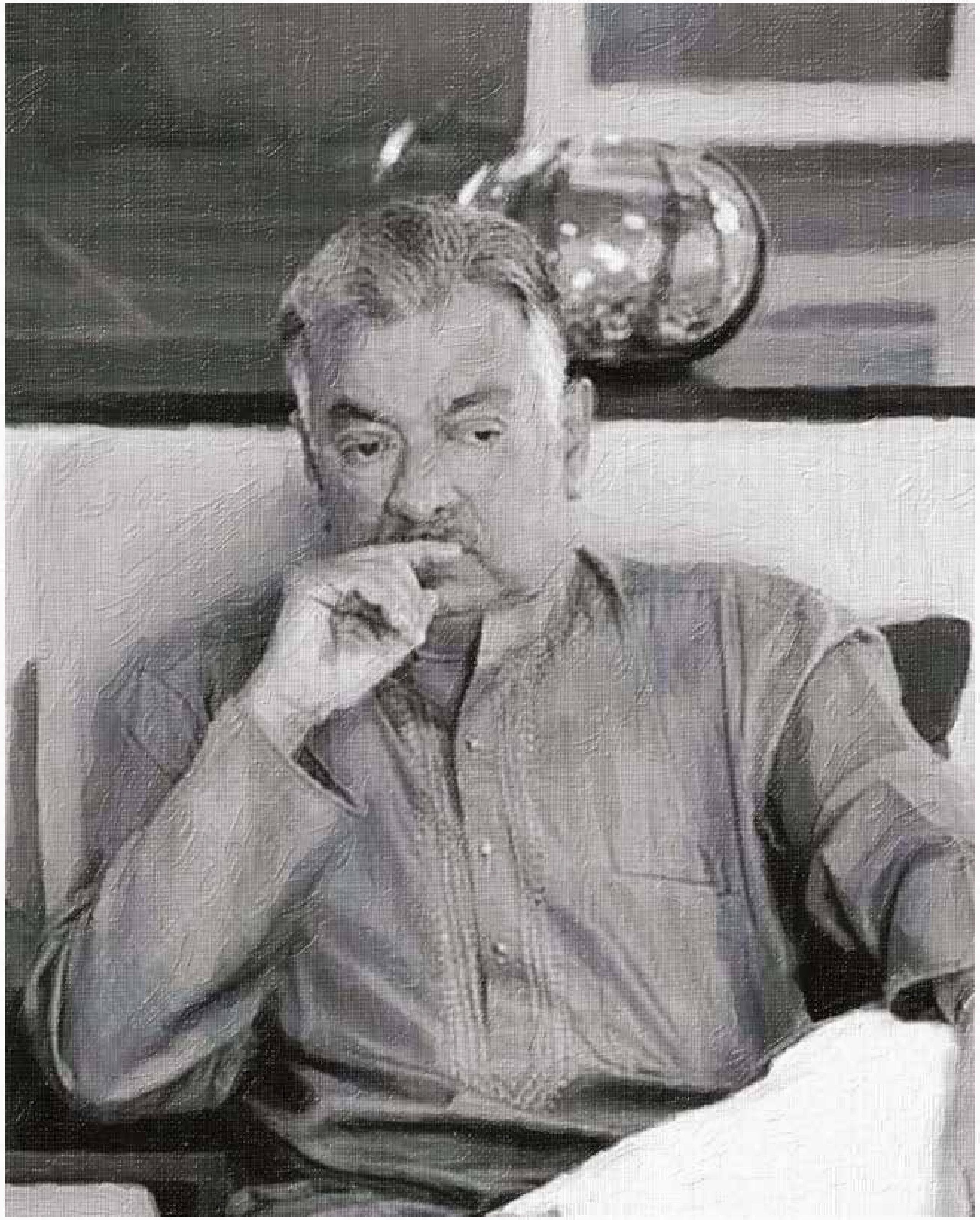
Our Competitive Moat

- The business model is centered around a conservative approach to high-yielding assets to deliver a sustainable ROA of 3-5%
- Focus on small-ticket retail loans to the large under-served informal segment customers in rural & semi-urban geographies.
- Diversifying products, geographies, sources of funds and delivering growth by an increase in volumes rather than ticket sizes.
- Conservative operations framework with a focus on risk & asset quality.
- Completely in-house operations with a ground-up driven credit appraisal model and rigorous collections practices – tailored for the areas of operations.

Sustained growth in the face of significant headwinds

36.4%	26.7%	28.0%	30.8%
Assets under Management CAGR (FY17-FY22)	Disbursements CAGR (FY17-FY22)	Income from Operations CAGR (FY17-FY22)	Profit after Tax CAGR (FY17-FY22)

From the
Vice-Chairman's office



The future is very exciting as we see a plethora of opportunities unfolding. Arman will stay steadfast on its business philosophy of enhancing the quality of its business as against being driven by volumes.

Dear shareholders

I hope you and your families are safe.

FY22 was a year of resilience for us and our customers. Covid tested us severely as its spread in, and impact on, rural India was intense. But I am in awe of rural India for its ability to bounce back from this catastrophe with speed. Their unrelenting grit and determination to overcome roadblocks is truly inspiring. This allowed the microfinance sector to recover after the second wave of COVID, clearly demonstrating the resilience of the industry in India.

Our customers' resurgence and our team's efforts in getting back to 'business as normal' helped us in uplifting our performance a few notches higher in all respects. Even as business volumes increased after the second wave, we focused on improving the quality of our business. As a result, collections improved, NPAs dropped, and we onboarded less-riskier customers.

Microfinance, a brighter future

FY22 has been a milestone for the microfinance sector too. The pathbreaking RBI Guidelines have done a world of good for the NBFC-MFIs players.

In addition to creating a level playing field, the framework has suitably addressed issues of over-indebtedness and multiple lending, which were of paramount concern for the sector.

Moreover, the revision of the household income criteria is a very progressive step that will have far-reaching implications. It will allow needier, low-income households to access credit, and will take India closer to its goal of complete financial inclusion.

Further, increasing the non-qualifying asset limit to a maximum of 25% will allow institutions to achieve a more balanced lending portfolio, reduce the cyclicity and volatility impact on the balance sheet, and strengthen the ability of institutions to weather any external risks.

These positive guidelines promise to orchestrate a significant upswing in the fortunes of NBFC-MFIs over the medium term.

Envisioning this change in fortunes, we have taken important measures that will assist us in capitalising on emerging opportunities effectively.

One, we have expanded our network significantly in FY22 and will continue this trend in the current year. This expansion will be in existing states to strengthen our presence. It will also be in new states to widen our footprint.

Two, we are converting Arman into a smart enterprise. We will be leveraging digital technology in all our operations – on the field, in the back office and at the head office. While on the field we will become faster in identifying potential customers and disbursing funds significantly faster, at the head office we will focus on data mining – slicing and dicing data to unearth opportunity gems and identify risks and challenges before they occur. Our investment in digital transformation will make the organisation increasingly cohesive even as we expand our geographic footprint.

These factors, I am convinced, will make a significant contribution to us accelerating our growth momentum and making our operations seamless and cost-effective. Barring unforeseen circumstances, I believe that business profitability will scale a few notches higher.

In addition, we piloted 'individual loans' within our microfinance to existing customers with excellent credit scores and with an aspiration to grow bigger. These customers will be serviced in a completely cashless model, which we believe is the future of microfinance in India. We are hopeful of growing this thought into a differentiated microfinance product.

MSMEs, on a growth path

The MSME sector is the backbone of India's economy. MSMEs contribute around 30% to India's GDP, employ about 11 crore people, constitute nearly 40% of total exports, and more than half of them are located in rural India.

As a result, the Government is very keen to rev up this sector to achieve inclusive growth to attain self-reliance. The Government, while drawing up multi-crore PLI schemes for various sectors has provided significant weightage for MSME participation and growth. The schemes envisage establishing backward linkages with the MSME sector, which, in turn, will lead to more inclusive growth and create huge employment opportunities.

But the attainment of this vision is constrained by their limited resource. An analysis of the CMIE Prowess database reveals that the Indian MSMEs mainly rely on unsecured loans and take few long-term loans for capex. This is further corroborated by the research finding from a recent study (NIRDPR, 2021) that nine out of 10 MSMEs depend on informal sources (mostly unsecured loans) for their working capital and term loans.

This dents the profitability and economic viability of their businesses[1].

Again, the Government on its part is assisting these small enterprises by facilitating credit through several government schemes like PMEGP, ECLGS and Self-reliant India. But this is not enough. The private sector needs to play its role in fuelling their dreams.

At Arman, we are focused on growing our presence in funding Micro-Enterprises in Rural areas. This is the next frontier in the long-term for the company. We will grow this business at a careful but steady pace by spreading out across states, building necessary capabilities and adding relevant resources.

About FY23

The future is very exciting as we see a plethora of opportunities unfolding. Arman will stay steadfast on its business philosophy of enhancing the quality of its business as against being driven by volumes. This culture has sustained us during the multiple headwinds that rocked our business spaces. I am confident that this approach will continue to sustain us as we move forward. The result of the first quarter of FY23 bears testimony to an exciting ecosystem that is unfolding steadily. We have exciting things planned in Technology; Stay Tuned!

In closing

I would like to extend my gratitude and appreciation to all our employees for their contribution to building Brand Arman as a trusted, respected and reliable partner in rural India. I look forward to their continued support, and that of all our partners, vendors, influencers, and dealers, in our journey to scale new horizons.

On behalf of the Board, I would also like to thank all our lenders, investors, shareholders, financial partners and others, whose faith in Arman has enabled us to emerge stronger through the Covid crisis. Even as the uncertainty over the pandemic continues, we remain ever vigilant, and I am confident that together, we shall overcome every challenge to succeed in our endeavour to become an even bigger industry player in the coming years.

Warm regard,

Jayendra Patel

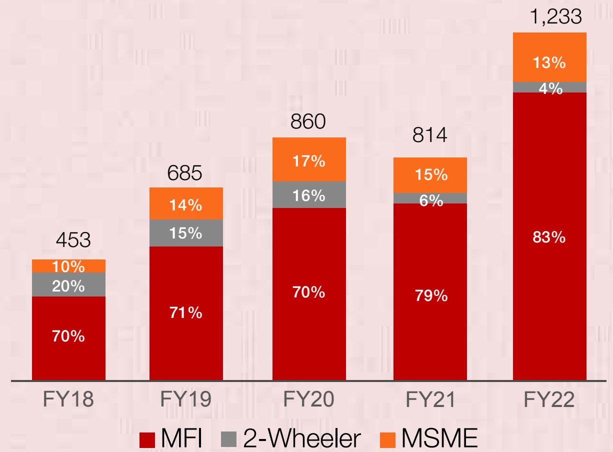
Vice-Chairman & Managing Director

[1] *https://www.thehindubusinessline.com/opinion/msmes-engines-of-growth-for-new-india/article38101722.ece*

Key performance indicators

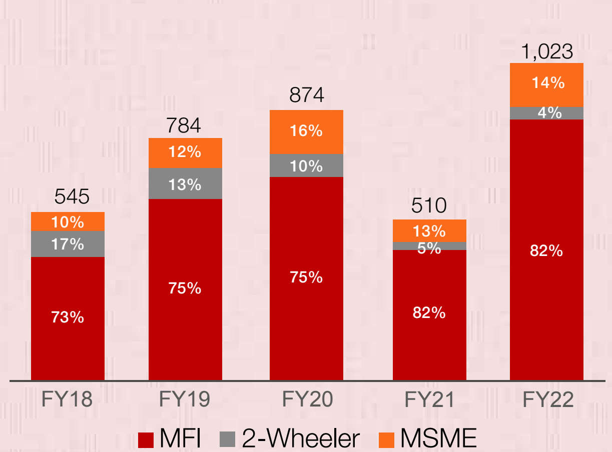
In a tough year, we delivered a better performance on all parameters

Asset Under Managment (₹ crore)



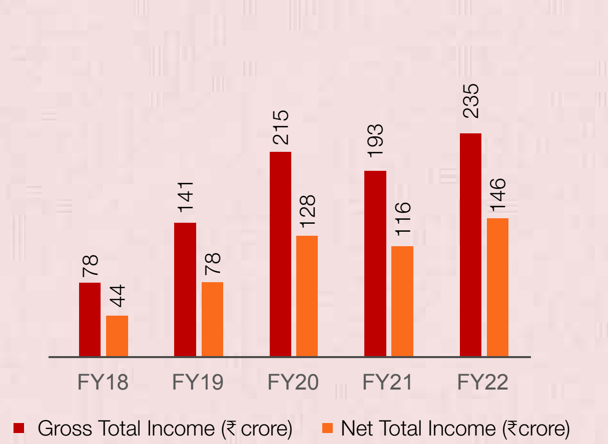
Note: FY22, FY21, FY20 & FY 19 figures are as per IND-AS, all the figures for FY18 and before are as per I-GAAP

Total Disbursements (₹ crore)

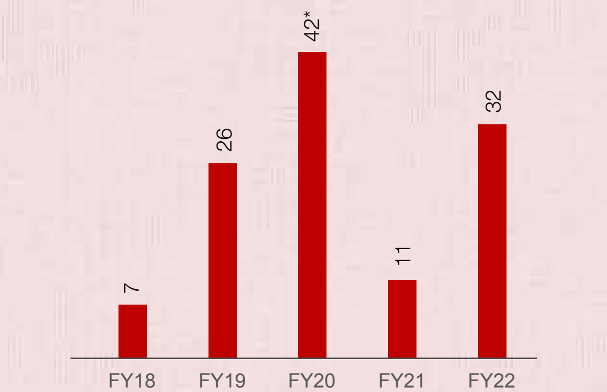


Note: FY22, FY21, FY20 & FY 19 figures are as per IND-AS, all the figures for FY18 and before are as per I-GAAP

Gross Total Income & Net Total Income (₹ crore)

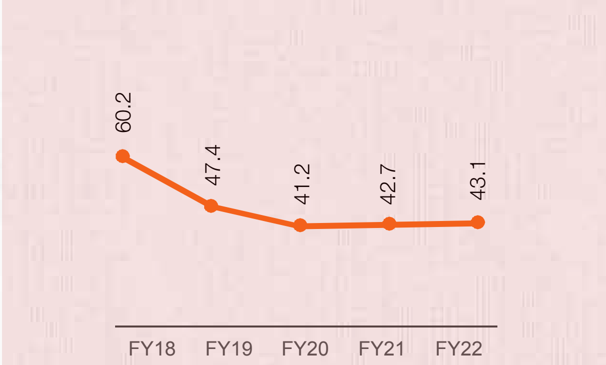


Profit after tax (₹ crore)

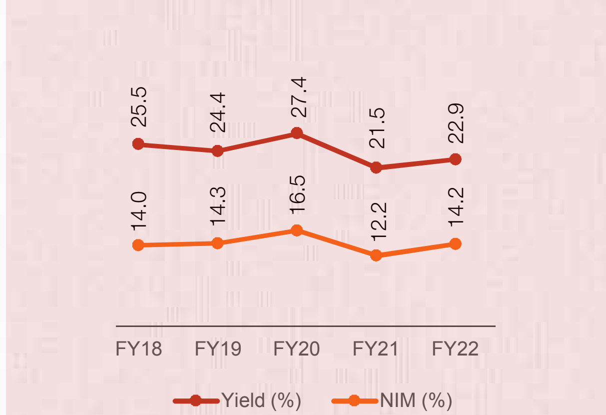


**Adjusted for the Covid Provisioning of ₹ 6.88 crore, PAT would have stood at ₹48.2 crore in FY20, and ROE would have been 32.6%*

Cost to income (%)



Yield & Net Interest Margin (%)

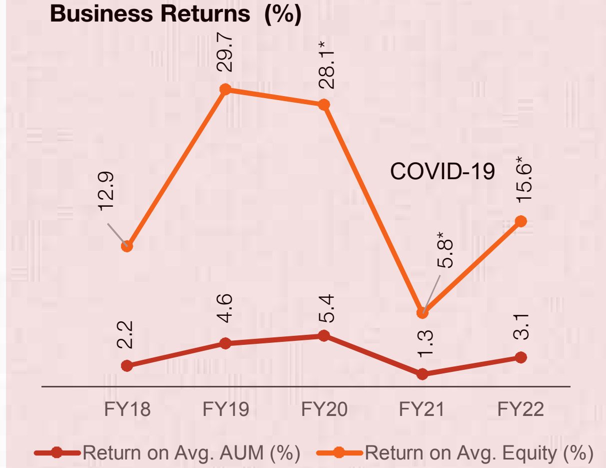


Note: FY22, FY21, FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP. NIM = NII / Average AUM (On + Off-Book); Yields = Gross Income / Average AUM

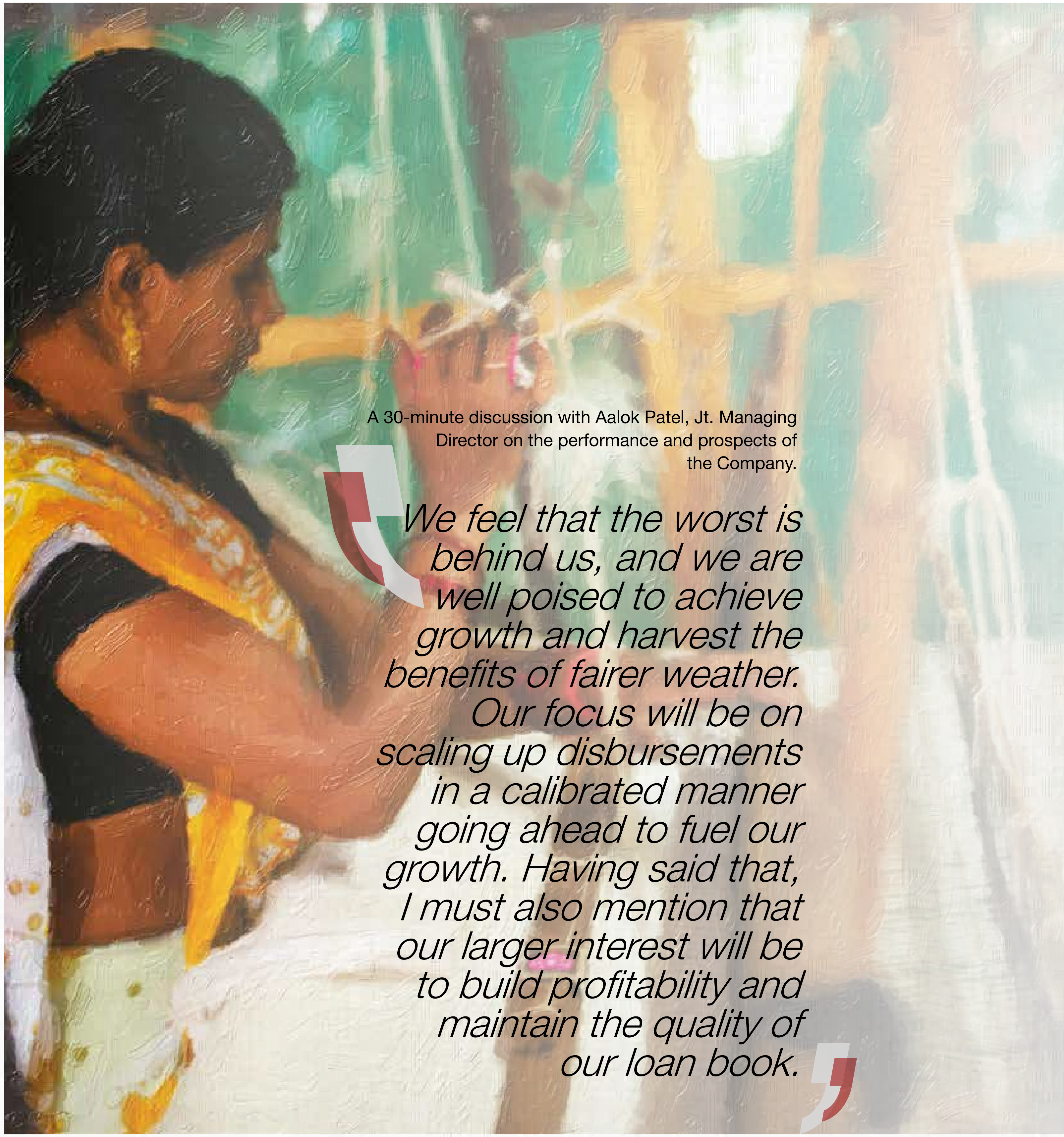
Asset Quality (%)

**Includes Covid Specific provisioning of ₹6.68 crore*

Business Returns (%)



**Adjusted for the Covid Provisioning of ₹6.68 crore ROE would have been 32.6%*
Includes Covid Specific provisioning of ₹6.68 crore
Note: FY22, FY21, FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP. NIM = NII / Average AUM (On + Off-Book); Yields = Gross Income / Average AUM



A 30-minute discussion with Aalok Patel, Jt. Managing Director on the performance and prospects of the Company.

We feel that the worst is behind us, and we are well poised to achieve growth and harvest the benefits of fairer weather. Our focus will be on scaling up disbursements in a calibrated manner going ahead to fuel our growth. Having said that, I must also mention that our larger interest will be to build profitability and maintain the quality of our loan book.

How would you summarise the performance of FY22?

It was the worst. It was the best. FY22 had its fair set of challenges. It started with the lethal second wave of the pandemic, in many ways, more damaging than the first wave, and ended with the threat of the third wave led by the omicron variant of COVID-19. Despite such challenges, it was immensely satisfying that we delivered the best annual performance on many parameters (one of them was crossing the ₹1,000 crore disbursement mark) which stands testimony to our consistent dedication, expertise and strong business model. Having overcome innumerable challenges and disruptions led by regulatory changes, macro environment issues and natural disasters, the Company has emerged significantly stronger.

How did the Company manage through the second wave of the pandemic?

Q1/FY22 started on a challenging note for the finance industry as a whole due to the second wave of the pandemic and subsequently localised lockdowns across states. It had a severe impact on the semi-urban and rural markets where the Company has its major operations. Many of our customers and employees lost their lives, which vastly supersedes any financial loss the company had to face.

With restrictions on movements, many customers' earnings were temporarily impacted, which in turn affected their ability to service their EMIs. Many customers and family members were also infected, which resulted in financial and health-related strain. In addition, it was difficult to access customers to collect EMIs in areas with strict lockdowns. In many cases, the customers who had just started repayments post the first wave also faced challenges.

In these challenging times, we adopted a cautious approach to disbursements and shifted our focus from growth to collections and employees'/customers' well-being.

For our team, we organised vaccination programs across the field for vaccinating the majority of our employees. We provided a generous leave policy for employees who were infected or had infections in their immediate families. During the entire covid period, we are proud that we did not announce any layoffs or salary reductions. This allayed fears and helped in smooth business operations and closer customer interaction. Arman's employees are part of one big family, and during the crisis, decency dictates that we take care of our family as much as possible.

To lend a helping hand to our microfinance customers, we provided a repayment holiday between 1 to 3 months to Level 1 standard customers as on March 21' in the Microfinance loan book under the RBI Resolution Framework 2.0. These customers' tenure was pushed forward by 1 to 3 months. Approximately 70,000 customers were eligible for the scheme, with approximately 40% of them with 1 EMI deferred, and 30% each with 2 EMIs and 3 EMIs, respectively.

That said, rural customers have proven once again their resilience to bouncing back from challenges with speed. The graph of the second wave was flattened much faster than initially anticipated and rural India was back on its feet. Also, after the first wave, we were better prepared to handle this challenge.

How did business pan out after the second wave?

As the intensity of the second wave waned, there was considerable optimism. The rebound was significant especially in the MFI space because of the kind of people we are dealing with. Our customers tend to bounce back faster because this is their livelihood. Moreover, continued government support towards NBFCs and various relief packages for the revival of the economy in the form of loan guarantee schemes ECLGS and MSME revival schemes supported a faster resurgence of rural India - for both MFI and MSME customers. As a result, we experienced a significant rise in collections and improved disbursements on the back of a pickup in demand. Moreover, opportunities only increased with every quarter.

What was the trend in collections and provisioning?

The collection was down in the first two months of FY22 and understandably so. Subsequently, collection efficiency continued to scale up with each passing month. Higher collection efficiencies were aided by improvements in the cash flow position of borrowers, a strengthened collection team on the ground, continuous customer interactions and a customer-focused approach. By the end of FY22, we logged in collection efficiency of above 95%. What is extremely heartening is that our collection efficiency in the post-covid loan book disbursed since September 2020 stood above 98%. Overall collection efficiencies reached pre-covid levels by the end of Q1 FY2023, and are expected to remain steady if there are no further disruptions due to Covid.

On the provisioning front, the Arman book is completely provided for, in fact, provided in excess of what was required. There were writebacks as some written-off assets were collected. On the microfinance side, the worst is definitely behind us and we expect covid related provisioning to be slim-to-none going forward.

Did you widen your reach?

We completed our branch expansion plan. In FY22, we added 30 new branches in the MFI and MSME segment. Our total branch network as on 31st March 2022 stands at 292 branches. The expansion has not only given us deeper penetration by tapping into newer districts in existing states but has also allowed us to explore new geographies. Haryana and Bihar, which are contiguous to our existing footprint are new geographies for us. Besides, we have increased our presence in parts of Rajasthan, Uttar Pradesh and Madhya Pradesh. The addition should emerge as new growth levers going forward. Due to our asset-light business model, the capex spent on branch expansion was fairly minimal, which will allow us to reach branch-level break-even quite quickly.

Now coming to the MSME piece within Arman. How do you look at this vertical?

We love MSME financing. It's a great business to be in. The returns are great. The losses, if you compare them with microfinance, are somewhat similar. I am committed to growing this business. What we can do is expand our MSME product lines in the coming years to cast a wider net in the areas we operate.

But the MSME piece is not growing at the same pace as the MFI vertical.

It's a great business, but this is not a vertical that is not very comparable to MFI growth, as it takes a longer time to find the right kind of client due to the stringent underwriting. Rejection rates in this division remain at 70%. Volumes from the MSME piece will not be able to keep pace with the microfinance business, at least for the short to medium term. It is also noteworthy to mention that the lines that separated Microfinance and Micro-Enterprise rural loans have become a bit hazy due to the new Microfinance RBI regulation that necessitates FOIR-based underwriting in the MFI portfolio as well. Further, the pandemic did create a kind of setback for this vertical too. We needed to tighten our underwriting norms as it became very difficult to evaluate the cash flows of applicants. Having said that, disbursements have increased over the previous year. We have also opened 8branches for the MSME vertical in Rajasthan to date.

A lot of new companies especially Fintech are entering the MSME financing space. So, is the landscape getting more competitive?

The term MSME is very broad. It includes micro-enterprise loans of fifty thousand and also includes eight-figure loans sometimes, and everything in between. It includes urban loans and rural loans. We are servicing a completely different market segment in comparison to Fintech MSME - we look at the paper-lite rural segment that may not be tech-savvy, while they primarily target more of the formalised urban segment. Our operational spaces, and hence prospects, are different.

Over the medium term, how do you see the MFI and MSME verticals evolving?

The new RBI regulation for the microfinance sector is a game-changer, especially for the NBFC-MFI players like us. The white paper deregulates the NBFC-MFIs and puts them on a level playing field with other practitioners in the microfinance space.

It removes all margin caps. It allows us the flexibility to price for the risk and operating cost, while also ensuring no player charges usurious rates. But there is another significant change that is playing out. There will be a change in our MFI and MSME businesses progressively. Until the new regulation was announced, there were strong dividing lines between microfinance and MSME. The former was more individualistic while the latter was wholistic (from an evaluation perspective which happened at the household level). Suddenly, this differentiation could disappear. Now, as per the new guideline, we need to undertake an evaluation of the household income of microfinance customers.

In the microfinance vertical, opportunities will abound for NBFC-MFI players but credit evaluation will get a little more complex owing to the change. We stand in good stead in this regard because we have considerable experience in holistic evaluation owing to our MSME piece, which we will now imbibe in our microfinance team.

What I expect will happen in our MSME vertical is that evaluation will increase as will the ticket sizes. As a result, the contribution from the MSME vertical will increase over a 3-5 year horizon – provided the landscape does not alter adversely.

Turning to the 2-wheeler vertical, what is happening in that space?

The two-wheeler vertical had been our bread and butter for a long, long time through very rough patches in the past and when we were significantly smaller than what we are today.

The market conditions in the last few years in the two-wheeler space were particularly dismal. There was a continuous decline in sales by -18%, -13% and -11% in comparison to the previous year during FY 20, 21, and 22, respectively. In an effort to maintain market share, many 2W finance players are completing on interest rates and underwriting standards, which is not a strategy that we are willing to adopt. Hence, there is not much to talk about here. We are doing a considerable amount of this business from our MSME branches – and are trying to utilise this channel better. We will take a call about when we want to grow this piece when the sale in the segment recovers, but we are confident that they will eventually recover as personal transportation is not going to go out of style in a country like India anytime soon. Having said this, I must admit that we are a little bullish on the EV side. But it is a little too early to make any definitive statement on this at the current moment.

Are you piloting something new yet synergic with the existing verticals?

Within our microfinance vertical, we piloted individual business loans. The idea of the product was to graduate some good microfinance customers into individual higher ticket size loans with the cashless repayment methodology and higher underwriting. This was an emerging need for a few high-aspiring individuals. It's too early to comment on the prospects of this becoming a separate vertical. Let's see how it goes in the current year.

You are quite upbeat about growing the multiple verticals in your Company. For you will need a substantial amount of funds. How are you working on that?

Yes, we will need both debt and equity funds to expand our business going forward. Towards this end, we closed a ₹100 crore Direct Assignment (DA) transaction with SBI in January 2022, which represents the largest DA transaction in the company's history. Our Asset-Liability Match (ALM) continues to remain positive. We are opening new, diverse sources of funding every month, and our vintage gives a lot of confidence to lenders for giving the Company debt. As far as equity, we will be doing a planned fund raise during FY23.

Further, despite strong headwinds during the past six quarters due to Covid, our robust balance sheet and prudent lending practices have been acknowledged by 'Acuite Ratings & Research Limited' and are reflected in their assigned credit rating to Arman Financial Services and its Micro Finance subsidiary Namra Finance Limited with a rating of 'ACUITE A-' (read as ACUITE A minus) with 'Stable' outlook.

Our rating improvement, coupled with our business model continues to provide us access to new sources of funds.

What is your closing message?

We feel that the worst is behind us and we are well poised to achieve growth and harvest the benefits of fairer weather. Our focus will be on scaling up disbursements in a calibrated manner going ahead to fuel our growth. Having said that, I must also mention that our larger interest will be to build profitability and maintain the quality of our loan book. We are optimistic about our future growth and earning potential and believe that we are well positioned and have a strong foundation for the future which can provide us with sustainable and profitable growth for the long term. We are focusing a lot of energy on technology during FY23, which will help us reach new heights in the coming years.

Our exciting journey through an exacting year

Q1

Assets under Management

-5% Change

Q1 FY22 (₹ crore)	Q1 FY21 (₹ crore)
785	823

Total Disbursement

- Change

Q1 FY22 (₹ crore)	Q1 FY21 (₹ crore)
122	-

Gross Total Income

1% Change

Q1 FY22 (₹ crore)	Q1 FY21 (₹ crore)
50	49

Profit after Tax

-33% Change

Q1 FY22 (₹ crore)	Q1 FY21 (₹ crore)
4	5

Q2

Assets under Management

29% Change

Q2 FY22 (₹ crore)	Q2 FY21 (₹ crore)
908	704

Total Disbursement

425% Change

Q2 FY22 (₹ crore)	Q2 FY21 (₹ crore)
267	51

Gross Total Income

-2% Change

Q2 FY22 (₹ crore)	Q2 FY21 (₹ crore)
51	52

Profit after Tax

220% Change

Q2 FY22 (₹ crore)	Q2 FY21 (₹ crore)
5	2

Q3

Assets under Management

45% Change

Q3 FY22 (₹ crore)	Q3 FY21 (₹ crore)
1,045	720

Total Disbursement

63% Change

Q3 FY22 (₹ crore)	Q3 FY21 (₹ crore)
297	182

Gross Total Income

23% Change

Q3 FY22 (₹ crore)	Q3 FY21 (₹ crore)
59	48

Profit after Tax

141% Change

Q3 FY22 (₹ crore)	Q3 FY21 (₹ crore)
7	3

Q4

Assets under Management

51% Change

Q4 FY22 (₹ crore)	Q4 FY21 (₹ crore)
1,233	814

Total Disbursement

23% Change

Q4 FY22 (₹ crore)	Q4 FY21 (₹ crore)
338	275

Gross Total Income

71% Change

Q4 FY22 (₹ crore)	Q4 FY21 (₹ crore)
76	44

Profit after Tax

1711% Change

Q4 FY22 (₹ crore)	Q4 FY21 (₹ crore)
16	1

Management Discussion & Analysis

An Economic Review

Global economy: The worst is behind. The global economy in 2021 moved ahead at a steady pace. Buoyed by extensive vaccination drives across nations, the world economy moved forward.

With governments lifting restrictions the world over in a phased manner, industrial activity picked up pace as did global trade. The global economy registered a growth rate of 6.1%, as per the updated IMF estimate (April 2022)– the highest in four decades.

Going forward, GDP growth will scale back to normal rates. According to the IMF (April 2022 estimates), world GDP will grow at 3.6% in 2022 and 2023 respectively. These numbers could be further adversely impacted owing to the Russia-Ukraine crisis, supply chain disruptions, rise in crude prices and other geo-political events that could hold back global economic progress.

Indian economy: Resurgence was the overall theme that played out as a charged-up India decidedly fought back against the deadly second wave of the pandemic. India achieved an unthinkable 15% shift in GDP growth – from a (6.6)% growth in FY21 to an 8.7% growth in FY22.

The resurgence was primarily owing to the thrust towards vaccination and the Government's timely interventions and relief measures like an extension of the Emergency Credit Line Guarantee Scheme in May 2021 to certain impacted industries, creation of employment and building of healthcare infrastructure.

The fiscal deficit for 2021-22 improved to 6.71% of the GDP over the revised budget estimate of 6.9% mainly on account of higher tax realisation. India's gross revenue collection soared to a record high of ₹27.07 trillion in FY22. The total mop-up was 34% more than the ₹20.27 trillion collected in FY21. The tax-to-GDP ratio jumped to an over two-decade high of 11.7%.

The economic resurgence, so to speak, was cut short towards the end of FY22 owing to the geo-political crisis which resulted in a huge spike in commodity prices, fuel prices, supply-chain disruption and logistical costs – which hurt the economic progress in Q4 of FY22 and whose impact will be felt in FY23.

In keeping with this reality, the Reserve Bank of India factored this negative and pared its estimated GDP growth for FY23 to about 7%. This number, in reality though, will depend on the duration of the war and the outcome of debilitating sanctions that the western world has imposed on Russia – it will have its set of opportunities and challenges for India Inc. in FY23.

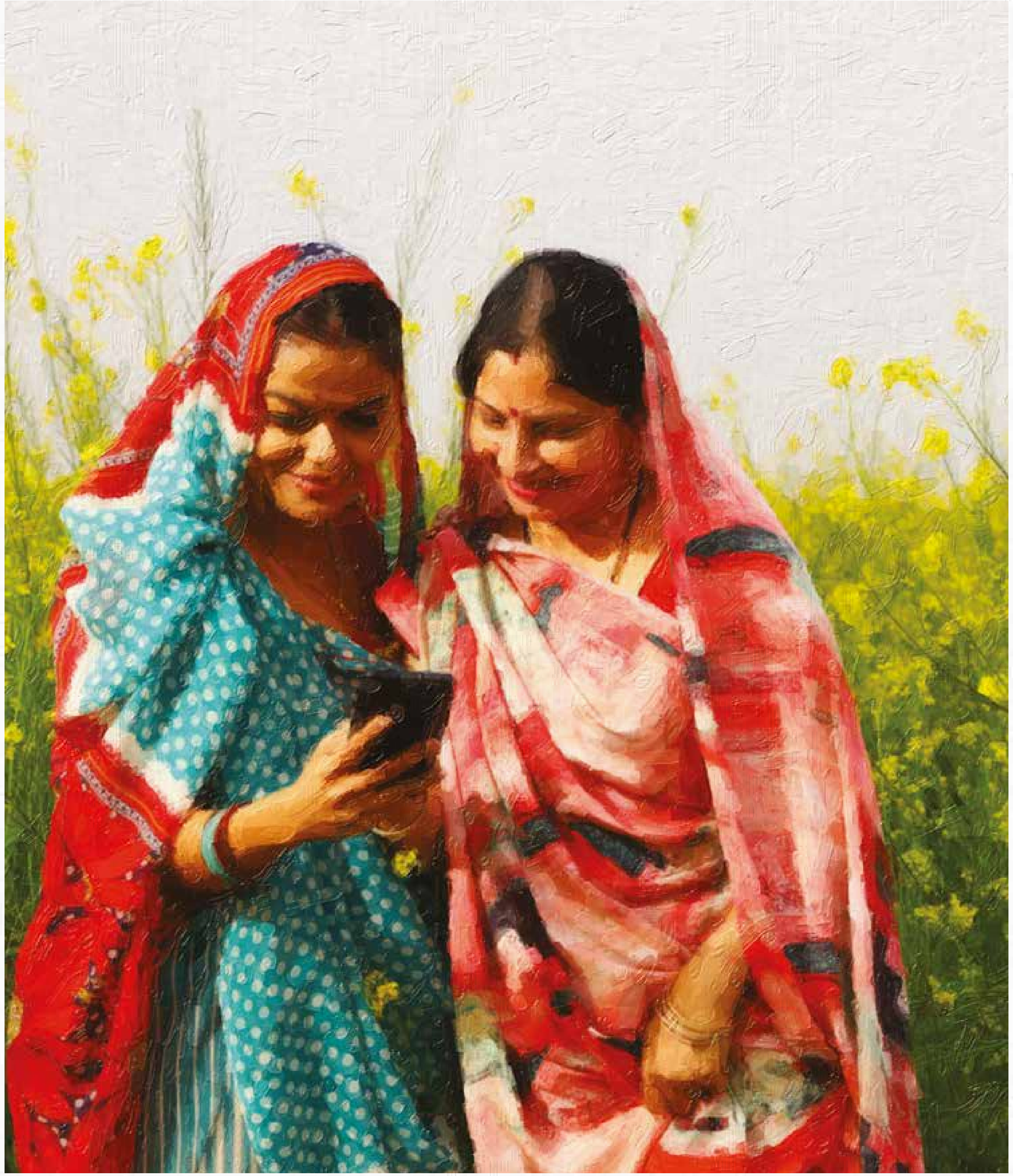
Rural India – hopeful of a better FY23

India's meteorological department (IMD) forecasts the 2022 South-West monsoon to be normal at 99% of LPA. Expectations of a normal monsoon and elevated food prices have brightened the outlook for rural income in the rabi and kharif season for FY23. Normal to good monsoon rains in the last three years have aided kharif food grain production, up 2.8% y-o-y on average.

Assuming, a normal monsoon in 2022 facilitates output, it is expected that kharif food grain production would be up 2.5% y-o-y. This comes atop a 1.5% y-o-y increase in rabi food grain output. Over a period of time, the share of crops in agriculture GVA has come off, from 67% in FY11 to 55% in FY21, accordingly, non-crops (forestry, logging, livestock, fishing, etc.) have risen in importance, thus making farm incomes more diverse and less vulnerable to rain shock.

Elevated food prices bode well for farm income. For the FY23 kharif season, nominal farm income is expected to improve to 17.1% y-o-y, atop a strong 15.4% y-o-y increase in FY22. While kharif farm income is expected to show robust growth for a second successive year, kharif farm costs are expected to rise further as global fertilizer and feed prices soar.

After declining by 0.5% y-o-y in early FY22, non-agri wage growth has started to improve, up 4.2% y-o-y in 2HFY22. Within non-agri segments, contraction is limited to two sectors, while the remaining 11 sectors are seeing an above-average growth rate. As de-growth is rather concentrated, it is expected that the overall non-agri wage growth to improve in FY23.



Indian women and the economy

In our world today where we remain firmly believe that the economy is merely the fate of crypto-currencies, profits, faceless statistics, stock prices, and other scores of data points, the notion that love and care are fundamental to economic policymaking is laughable.

And yet, our families and firms would not have survived the pandemic without care, nurture and love.

Covid-19 should force us to re-examine how we imagine the economy. Day after day, through the crisis, we witnessed how care underpins the resilience and productivity of our communities and businesses.

Crucial support was provided by a visible and an invisible set of care workers—a fairly female group. composed of housewives, mothers, nurses, community health workers, self-help groups, teachers and an army of female contact tracers. While their labour has received tremendous praise from all, they remain poorly paid and esteemed in the economy.

Love emerges as a fundamental lever in how women engage with the economy.

Feminist economists have always assumed that notions and acts of love are central to grasping economic frameworks, especially in countries such as India where the labours of love are overwhelmingly performed by its women.

First, Indian women are largely employed by the act of love. Beyond women in care-oriented service sector jobs such as nursing and domestic work, the edifice of India's economy is largely built by the money men make and trade held together by the invisible love and unpaid care women offer.

A 2017 World Economic Forum report found that 66% of Indian women's labour goes unpaid. Only 11% of men's labours were unpaid. Oxfam has found that Indian women put in 3.26 billion hours of unpaid care work every day, estimated to be a contribution of nearly ₹19 trillion to the Indian economy.

Nearly six out of ten Indian women aged 15 and older are statistically categorised by the government employment surveys as attending to "domestic duties". These women are hardly unemployed, they simply spend all their time exclusively on unpaid housework.

By contrast, seven out of ten men aged 15 and older were employed or actively looking for employment. Despite sharp increases in the numbers of educated women, this distribution of labour has remained the same for the past two decades.

As per the analysis by economist Sutirtha Sinha Roy using CMIE data in 2020, even among the richest 20% of urban Indians, only 6.5% of married women held a job outside the home.

These data reveal a clear division of labour in India: men must earn money by labouring outside the home, while women must earn love by caring inside it. Earning love is, of course, far more laborious than earning money.

In India, the support offered by men and government agencies when it comes to household chores and care ranks among the lowest in the world.

Women bear the overwhelming burden of being the sole providers of care for children, nourishing the future workforce, while also caring for the elderly. Even with plentiful domestic help, love ensures that women enthusiastically keep house.

In 2019, urban Indian men spent 94 minutes per day on unpaid housework, compared to 293 minutes by urban women. In rural India, if we included employment-related activities with unpaid care work in our definition of 'working', the government's time-use data from 2019 shows that rural men, those between the ages of 15 and 59 years, worked 10-hour days. Rural women worked longer days, at 13 hours—spending five and a half hours on employment-related tasks and nearly eight hours on unpaid housework.

Using CMIE data for April 2020, economist Ashwini Desphande suggests that men did help in 'domestic duties' more as they worked from home. However, this increase amounted to only 2.5 hours a day while women spent nearly five hours on care work. The relaxation of work-from-home rules has probably resulted in a return to a more lopsided burden of care work within the home.

Globally, India is in the bottom five countries when it comes to the share of men supporting housework.

The home as a workplace

According to a report by statistician G Raveendran for the global non-profit organisation, Women in Informal Employment: Globalising and Organising (WIEGO),64% of Indian women employed in the manufacturing sector worked from home in 2017, as opposed to 15% of men.

Despite home-based work being a fairly feminised occupation, women earn 24 an hour, while men earn double that amount. Yet, the home is not recognised as a workplace and dominant modes of policy-making think of the economy residing in factories and fields.

An economy that would acknowledge the labour of love would also acknowledge the home as a workplace. It would invest in shelter security and regulate wages and working conditions for home-based industries and domestic workers.

An economy that acknowledges love as a key output and ingredient for well-being would pay its care workers better, would regulate home-based industries and expand shelter support to women.

A loving economy would credibly invest in elderly and childcare services, allow more flexible work, and offer income support to all women to partly remunerate their care jobs. These tools can also provide psychological assurance to precarious workers facing an increasingly unequal world. Such policies are hardly difficult to implement. Many national and state programmes are attempting to chart this tough path.

Love drives and powers the economy; it guides our productivity and our predilections to make and buy things. After all, the economy is embedded within society, not divorced from it.

According to the UN data, the economic effect of India achieving gender equality is estimated to be US$700 billion in GDP by 2025. IMF says equal participation of genders in jobs will increase India's GDP by 27%.

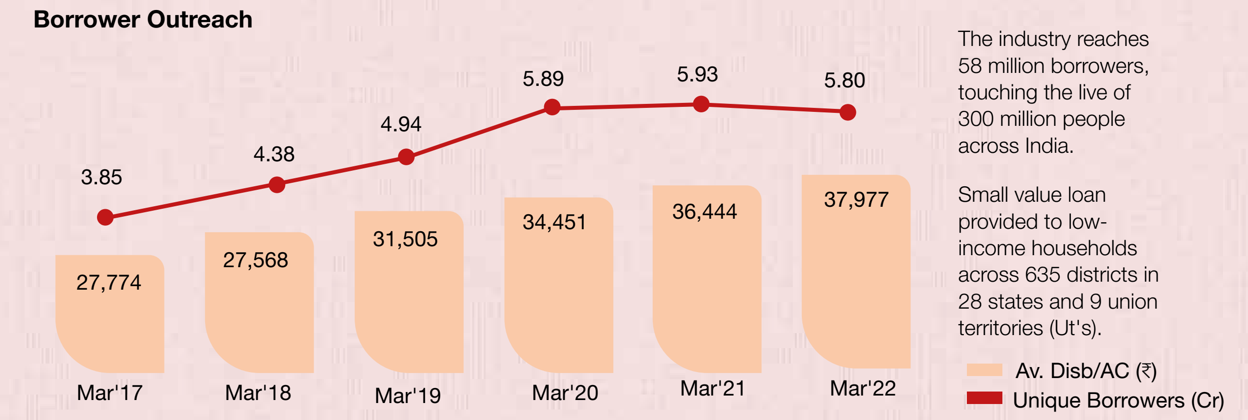
Microfinance – kickstarted a revolution at India's roots.

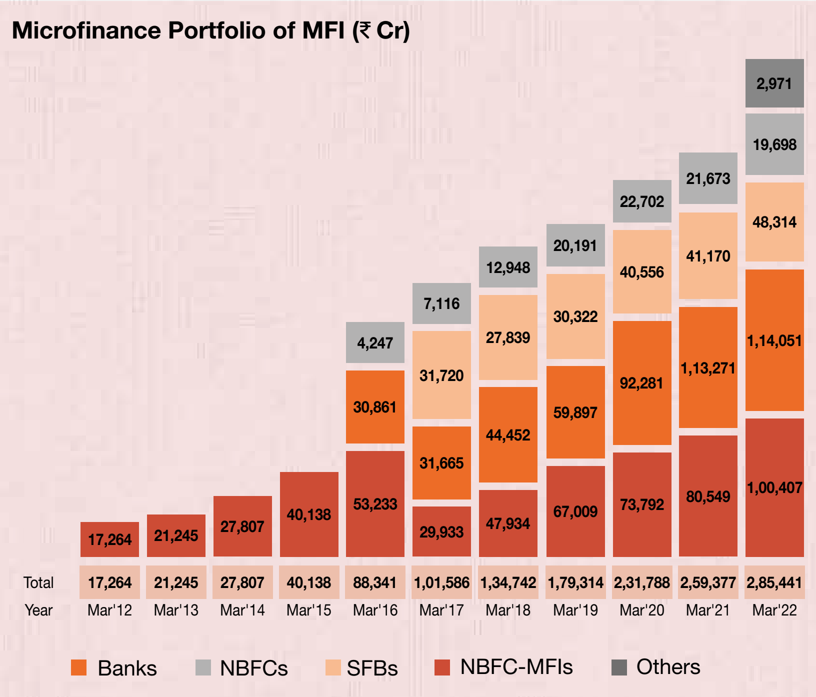
By providing collateral-free credit, the microfinance sector initiated a revolution in rural India.

One, it played a pivotal role in initiating a movement towards a financially inclusive India. In empowering the woman of the household, it created a more gender-inclusive society where equal opportunities resulted in a surge of rural women entrepreneurs.

Two, the sector employed local youth throughout the country and built their capacities. These opportunities for decent work coupled with new skills, reduced inequalities, and poverty, resulted in greater social inclusion.

From 2011 when the Reserve Bank of India (RBI) introduced a new category for microfinance called NBFC-MFIs to today, the micro-credit sector has become very diverse with over 200 regulated players – Banks, SFBs, NBFC-MFIs and NBFCs. The impact of the microfinance space is visible in its number – several beneficiaries, increasing disbursements and the Gross Loan Portfolio.





India being the largest microfinance market in the world is on the cusp of a significant transformation

with a penetration level of 33-35%. A closer look at the urban-rural mix reveals that 45-50% of the urban

market has been penetrated while the rural market has crossed 25% levels. This depicts the potential of the

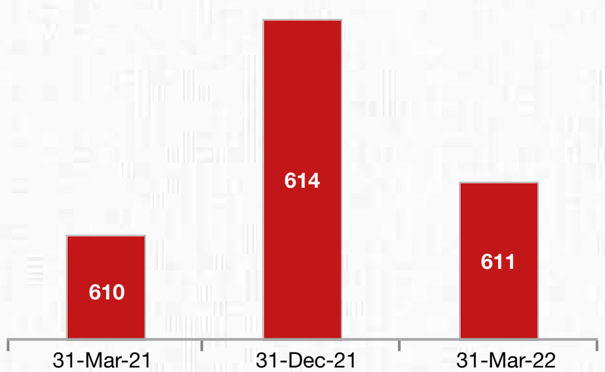
deep rural markets which are expected to gain more traction and have shown resilience in the past several years owing to the self-sufficient economy.

NBFC-MFI – A positive FY22

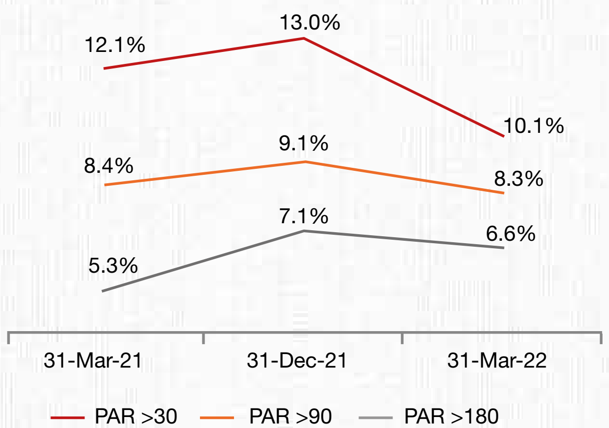
As on March 31, 2022, the on-balance sheet portfolio of 84 NBFC-MFIs was ₹1,00,407 crore, spread across 611 districts of 35 states and union territories. The data shows an increase in the portfolio of around 24.7% over the last year. Overall, the health of portfolios has improved on a YoY basis as reflected by PAR>30 of 10.1% as on March 31, 2022, in comparison to 12.1% as on March 31, 2021. There has been a marked improvement in PAR>30 in comparison to the previous quarter as well. Portfolio quality however remains under stress for the industry due to the ongoing impact of COVID.

The loan portfolio of NBFC-MFIs expanded by 19.4% to ₹96,561 crore at the end of March 2022 from ₹80,906 crore on March 31, 2021.

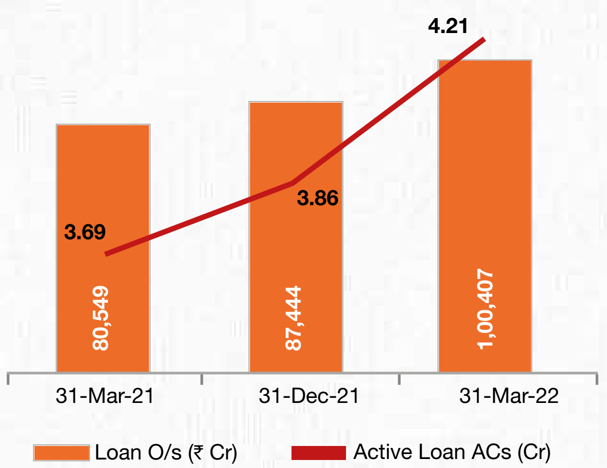
Presence of NBFC-MFIs across districts



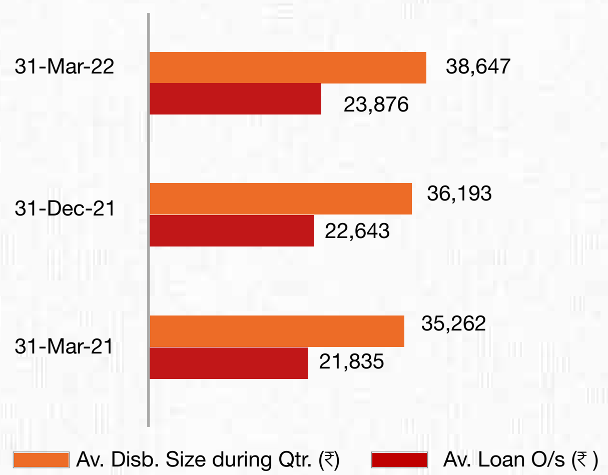
Portfolio quality of NBFC-MFIs



Loans accounts & amount outstanding



Average disbursement size & loan outstanding (₹)



The landscape is expected to get better.

The microfinance sector has displayed remarkable resilience. Despite the multiple headwinds, the pandemic being the most recent, which battered the microfinance space over the last decade, the sector has only emerged stronger.

Adequate capitalisation and sufficient provision buffer have helped NBFC MFIs to tide over the crisis. The uninterrupted funding by Banks and the government (through several schemes) has also helped players during the current crisis.

The COVID-19 pandemic was one of the worst crises faced by the sector as it significantly impacted the income-earning and cash flow generation capability of the borrowers, and thus adversely impacted asset quality.

Over the last few months, the sector has seen improved collections, led by momentum in the underlying economy. Growth has picked up in 4QFY22, aided by robust momentum in disbursement. According to CRISIL, NBFC MFIs are on the threshold of strong growth and an earnings revival.

The RBI has expanded the addressable market

The RBI introduced a new regulatory framework for the MFI sector after almost a decade. There are multiple benefits owing to these changes which will have a significant positive impact on the microfinance sector.

Pricing flexibility: The former allows for the adoption of risk-based pricing and therefore lends the ability to better price customers and distinguish between riskier and less risky customers. It also helps the institutions to better navigate increases in the cost of funds.

Increase in limit: The latter will lead to a higher addressable market as Microfinance players are now allowed to lend to households with income up to ₹3 lakh p.a. in urban as well as rural areas. The cap earlier was ₹1.25 lakh in rural areas and ₹2 lakh in other areas.

Balancing: The new RBI norms will help in strengthening the credit underwriting of the entire industry and create a level playing field for all the players. NBFC-MFI players will garner further ground given the increase in household income limits.

Microfinance companies are expecting greater growth in rural markets than urban, following new guidelines issued by the Reserve Bank of India.

According to experts, the new norms towards income assessment will bring in a large part of the untapped segment into the formalised credit market, especially in rural areas. Further, an improved rural-semi urban market, implementation of the new wage bill, and reforms towards socio-economic development will aid in a solid 25-30% CAGR in AUM for the industry over the next 3-5 years; NBFC-MFIs (35% market share as at FY22) are slated to gain further ground.

MFIs believe there is scope for growth, as the credit share of rural India is only 10%, even as it contributes 45% of GDP.

Today, the biggest challenge the MSMEs are facing is financial inclusion. India's 60 million MSMEs – broadly defined as businesses with annual revenue of up to 250 crores (approximately 35 million) – make an enormous contribution to both India's employment and its gross domestic product (GDP). Yet, they do so at a level that is far below other large nations, lagging 10 percentage points behind the US and 23 points behind China in GDP contribution.

The MSME panorama

India stands to become one of the biggest growth engines in the world, where Micro, Small and Medium Enterprises (MSMEs) play a crucial role.

MSMEs are growth accelerators of the Indian economy, contributing about 30% of the country's gross domestic product (GDP). In terms of exports, they are an integral part of the supply chain and contribute about 40% of the overall exports. MSMEs also play an important role in employment generation. They are the largest providers of employment after agriculture as they employ about 110 million people across the country. Interestingly, MSMEs are intertwined with the rural economy as well, as more than half of the MSMEs operate in rural India.

The MSME was one of the sectors which were most susceptible to the pandemic because of their size, scale of business and their limited financial resources.

These vulnerabilities in MSMEs are the result of some specific factors which have been multiplied by the pandemic factor.

One, since small businesses are mostly done in cash and proper accounting is not always maintained. Naturally, getting a credit score and loan is difficult for these companies. And even if the bank agrees to lend money, these loans usually come with a very high-interest rate, especially if it is a startup.

Two, because business volumes remain very low, the cost of transactions remains very high which affects profit margin.

Three, because of the size of these companies don't invest much in their IT infrastructure which makes them inefficient and vulnerable.

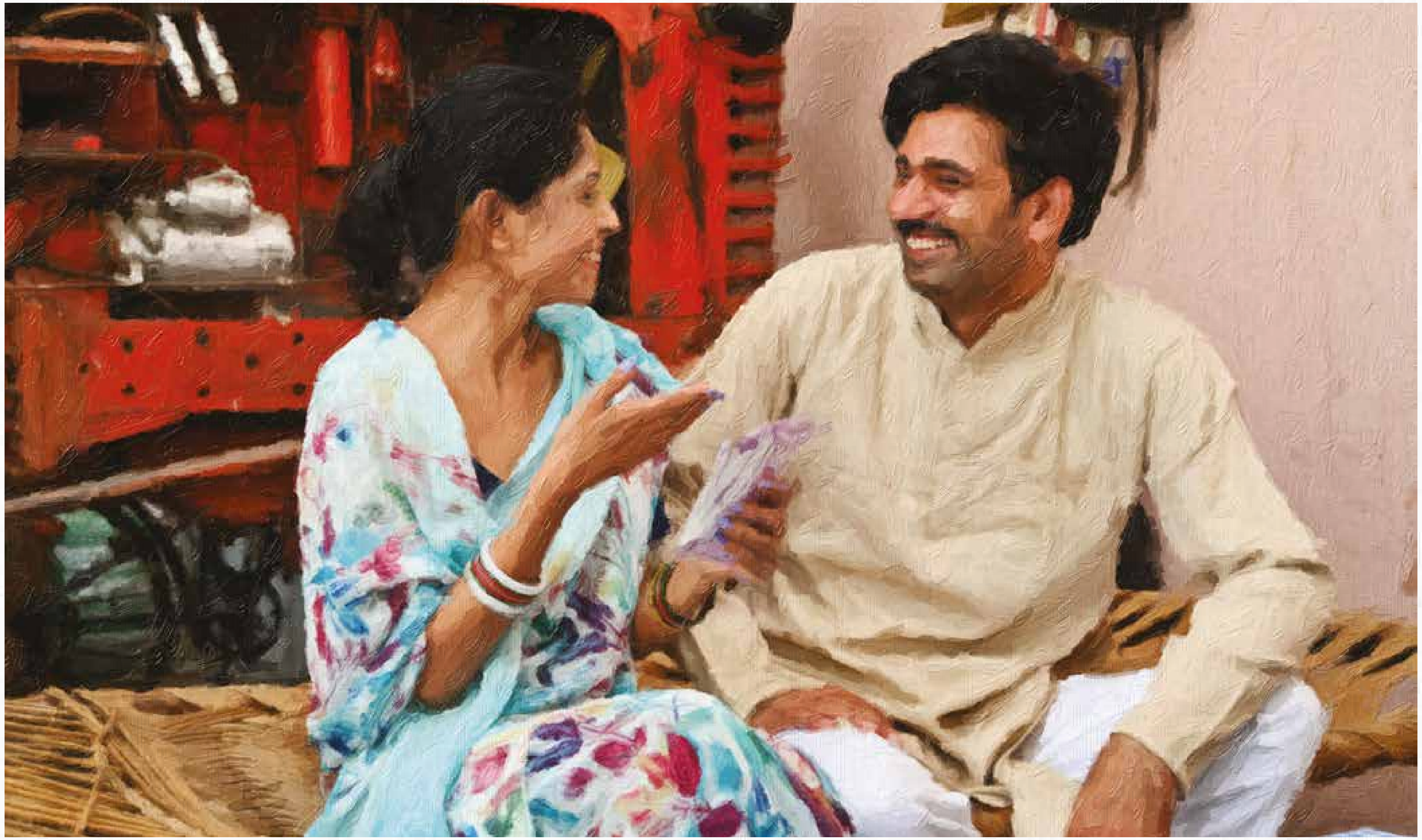
The Government introduced a raft of measures under its Aatmanirbhar Bharat banner to provide reprieve to the MSME segment in recent months. These include ₹20,000 crore subordinate debt for stressed MSMEs, ₹50,000 crore equity infusion through MSME Fund of Funds (SRI Fund), 3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for businesses, including MSMEs (which was subsequently increased to ₹5-lakh crore in Union Budget 2022-23), change in the definition of what constitutes an MSME, and no global tenders for government procurement up to ₹200 crore.

Though the sector was hit both in 2020 and 2021, it is on a strong recovery path in 2022 which is an important positive for the country's economy. MSME lending by banks and NBFCs grew by 7% in 2021, then the credit is expected to grow 7-9% in FY22 aided by favourable government policies and a rise in customer demand.

Recently, the World Bank has allocated about ₹5,600 crore (US$750 million) in emergency response funding to the MSME sector. This provides much-needed liquidity and supports the government's strategy of using NBFCs and small banks to channelize funds to the MSMEs.

Banks continue to dominate 80% of MSME lending these days which may reverse in the future. One of the factors driving the change is the digitalisation of the MSME sector. The digital footprint of MSMEs expanded in 2021, according to the CRISIL survey of over 500 MSMEs. This has not only helped in providing enhanced customer experience, operational efficiency and workforce enhancement but also facilitates access to financial services.

MSME also has had a 50% share in exports over the past five years. Exports-linked MSME sectors have been on the path to recovery and will continue to do so in the next fiscal. In the long term as well, the segment will continue to offer attractive opportunities for financiers as the global economy recovers and the adoption of the China-plus-one strategy by large players to diversify their supply chains provides a boost to export-linked MSMEs. While the future holds considerable promise, short-term uncertainties around geo-political tensions and rising global inflation could play spoilsport.



Our business

Arman Financial Services Limited is an RBI-registered Category A Non-Banking Financing – Asset Financing (NBFC-AFC) Company. They cater to nearly 4.67 lakh customers through their about 291 branches across eight different states mostly in unorganised sectors in rural and semi-urban pin-codes.

Arman Financial Services provides financial assistance for the purchase of two-wheelers and to the MSME segment. Its wholly owned subsidiary, Namra Finance Ltd (NBFC-MFI), offers microfinance to women for their enterprises.

With three decades of experience in the field, Arman provides simple, no-hassle loan products to the underserved segment of society who have no access to the formal banking system – thereby supporting the nation's call for financial inclusion.

291
Branches

55+
Dealer Touchpoints

466,364
Customers

A snapshot

Our revenue verticals

Microfinance	2 Wheeler loans	MSME
Provides small loans to women for livelihood promotion without collateral for agriculture and allied business, livestock farming, dairy, small kirana stores	Provides secured loans to self-employed/ salaried customers in the informal segment in semi-urban / rural areas. Piloting new rural 2W product: Operating in Tier-III, IV and below cities.	Individual enterprise/ working capital loans for small rural businesses in low competition areas.
Operates in 8 states, with 236 branches, 4.01 lakh live customers	Operates in Gujarat only across 55 dealerships	Operations in 4 states – Gujarat, MP, Maharashtra, Rajasthan with 50 branches
Works with the operating model of 1) High touch monthly collection model 2) 85% of rural & semi-urban portfolio (vs 43% of MFI industry), 3) 100% cashless disbursement, 4) JLG groups formed by customers 5) Loan utilisation checks to ensure loan for income-generating purposes, 6) Controlled growth targets driven by bottom-up projections	Work with the operating model of 1) Quick turnaround time 2) Leverages excellent relationships with dealers and OEMs 3) in-house feet-on-street model for rigorous collections	Working with the operating model of 1) Credit bureau check both for MFI and non-MFI loans 2) High touch monthly cash collection model 3) Cash flow assessment using tailored appraisal techniques 4) Locally drawn field force with knowledge of the local market 5) In-house team for thorough pre-lending on-site investigation and appraisals
173 Total income (₹ crore)	**13.3** Total income (₹ crore)	**46.7** Total income (₹ crore)
22.2 Yield (%)	**28.9** Yield (%)	**32.2** Yield (%)
12.9 Net Interest Margin (%)	**19** Net Interest Margin (%)	**22.9** Net Interest Margin (%)
0.6 NNPA (%)	**2.05** NNPA (%)	**1.4** NNPA (%)

Business vertical 1

Microfinance

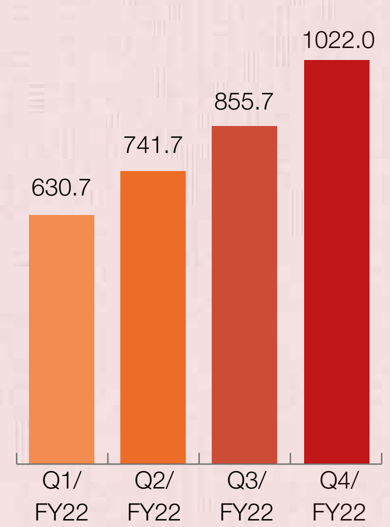
Fiscal 2022 largely mirrored the previous year. The onset of the second wave of the pandemic at the start of the fiscal infused the fear of survival as the impact of the same was far more intense in rural India. Lives and livelihoods were critically impacted owing to the lack of adequate healthcare facilities and travel restrictions.

Despite these headwinds, the resilient rural Indian community flattened the virus curve. Business activities resumed at the end of the first quarter and continued to gain momentum thereafter. Collection efficiency picked up smartly from about 90% in the first quarter to about 98% at the close of the fiscal. Disbursements also picked up at a healthy uptick.

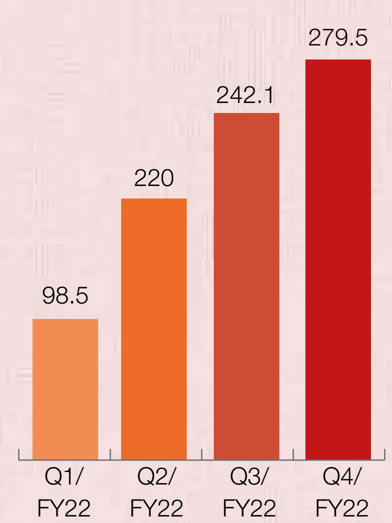
The Company expanded its branch network with the addition of 38 branches during FY22. The wider reach contributed to increasing business volumes. Assets under Management increased by 59% from ₹643.1 crore in FY21 to ₹1,022.0 crore in FY22 – an important milestone for the Microfinance vertical. As a prudent measure, the Company strengthened the provision of coverage and took aggressive write-offs during the year. The cumulative total ECL Provisions as on March 31, 2022, was ₹52.2 crores covering 4.5% of the total AUM.

Performance – through the year

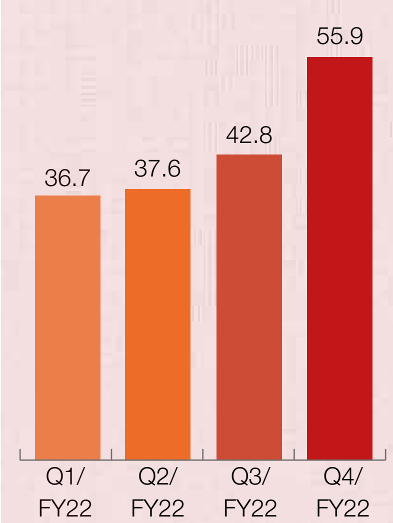
Assets under Management (₹ crore)

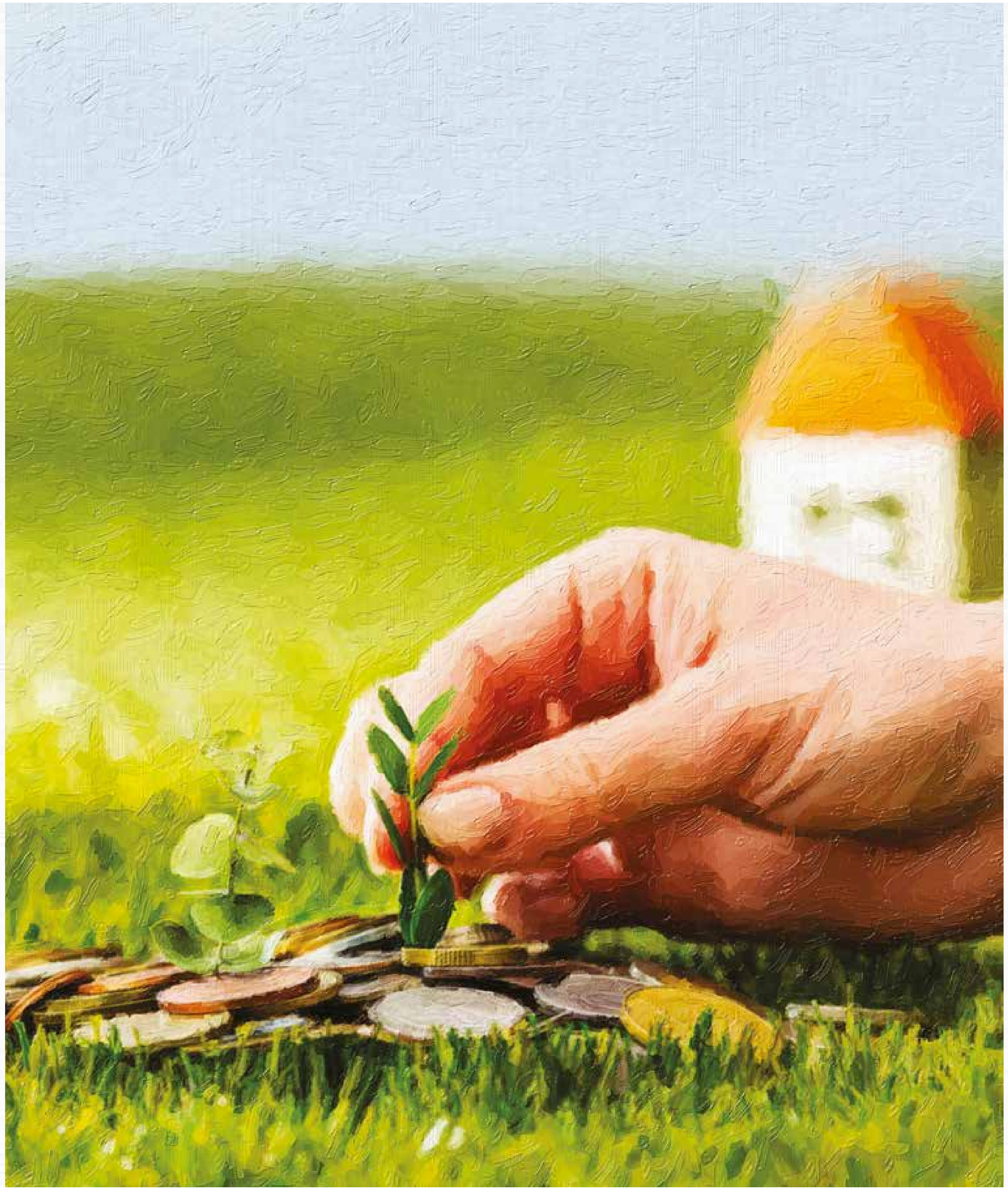


Disbursement (₹ crore)



Gross Total Income (₹ crore)





Business vertical 2
Two-wheeler loans

Headwinds of the previous fiscal worsened in FY22 owing to the rapid spread of the pandemic in rural areas. The significant health costs wiped out the savings of rural households which resulted in a complete halt in discretionary or capital expenses. Hence, even when the intensity of the pandemic reduced, capital purchases from the rural markets remained tepid. This impacted the two-wheeler sales significantly.

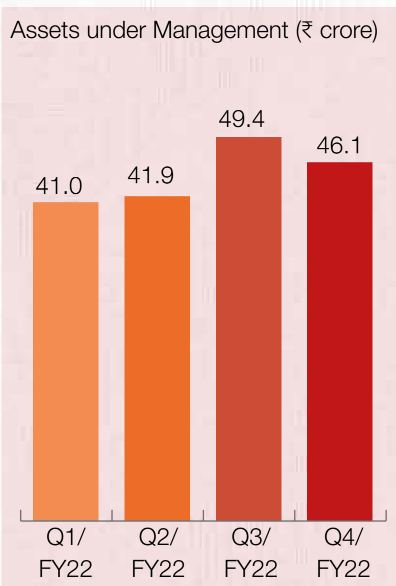
Two-wheeler sales in FY22 reported a sharp decline over FY21 even as other segments of the automotive sector registered healthy growth in sales numbers.

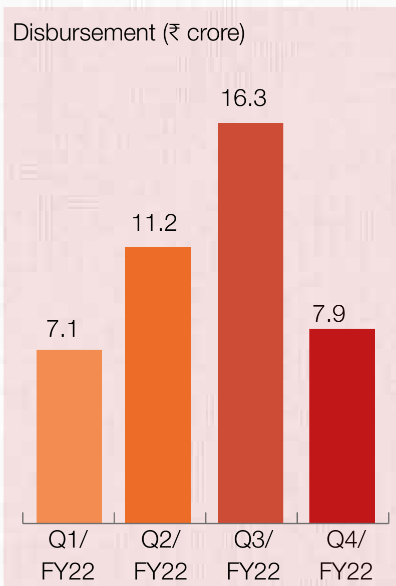
In keeping with this reality, the Company prudently reduced its exposure in this segment and focused its energy on collections. This led to a run down in the 2-wheeler book. Assets under Management remained stable at about ₹46 crore in FY22.

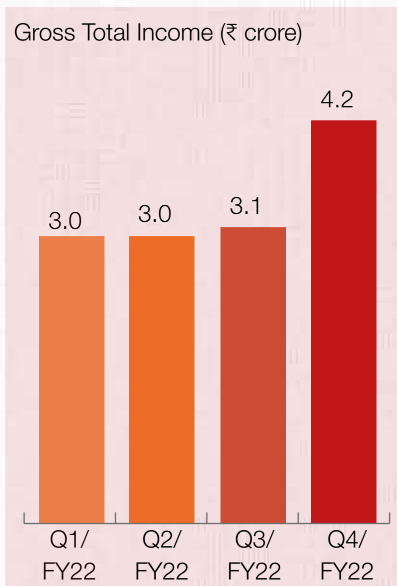
46.1
Assets under Management (₹crore)

42.8
Disbursement (₹crore)

Performance – through the year







Business vertical 3
MSME loans

The MSME sector, the key growth engine of the Indian economy sputtered in the aftermath of the second wave of the pandemic especially owing to people-related challenges and the incongruent lockdowns in various states leading to logistical issues.

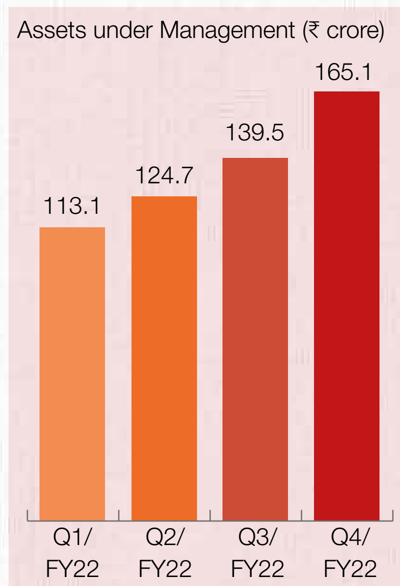
But the pain period was limited owing to timely interventions by the Government and other agencies to spur business activity and infuse financial support to distressed MSME players. This helped the MSME segment recover fast. From the second quarter of FY22, the commercial activity of the MSME sector gained healthy momentum. Also, the booming export market, owing to the China-Plus-One sourcing policy adopted by global players helped the MSME establish a stronger footing on their progress journey.

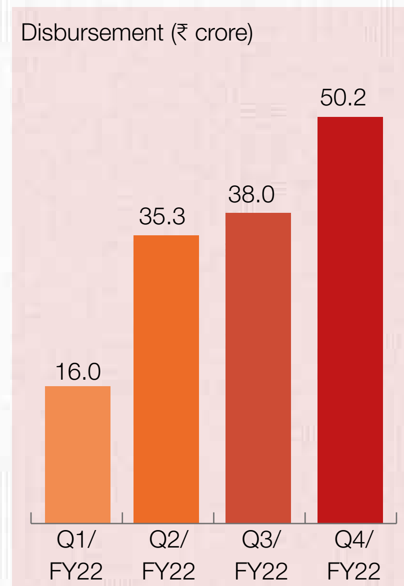
The Company's disbursements gained with every quarter in FY22. Moreover, Arman widened its branch network by setting up 13 new branches. This effort also contributed to increment business volumes in FY22. The healthy uptick is expected to continue as the Government remains squarely focused on growing the contribution of the MSME sector to India's economic growth.

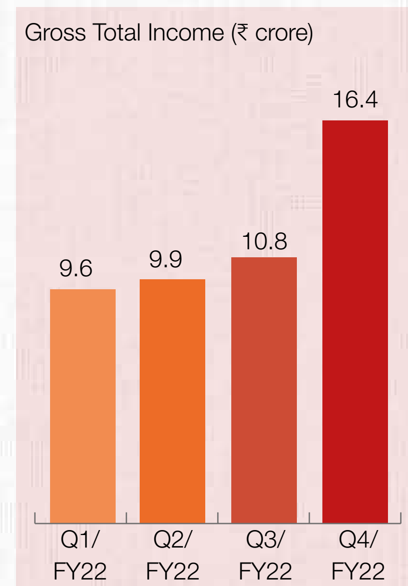
165.1
Assets under Management (₹ crore)

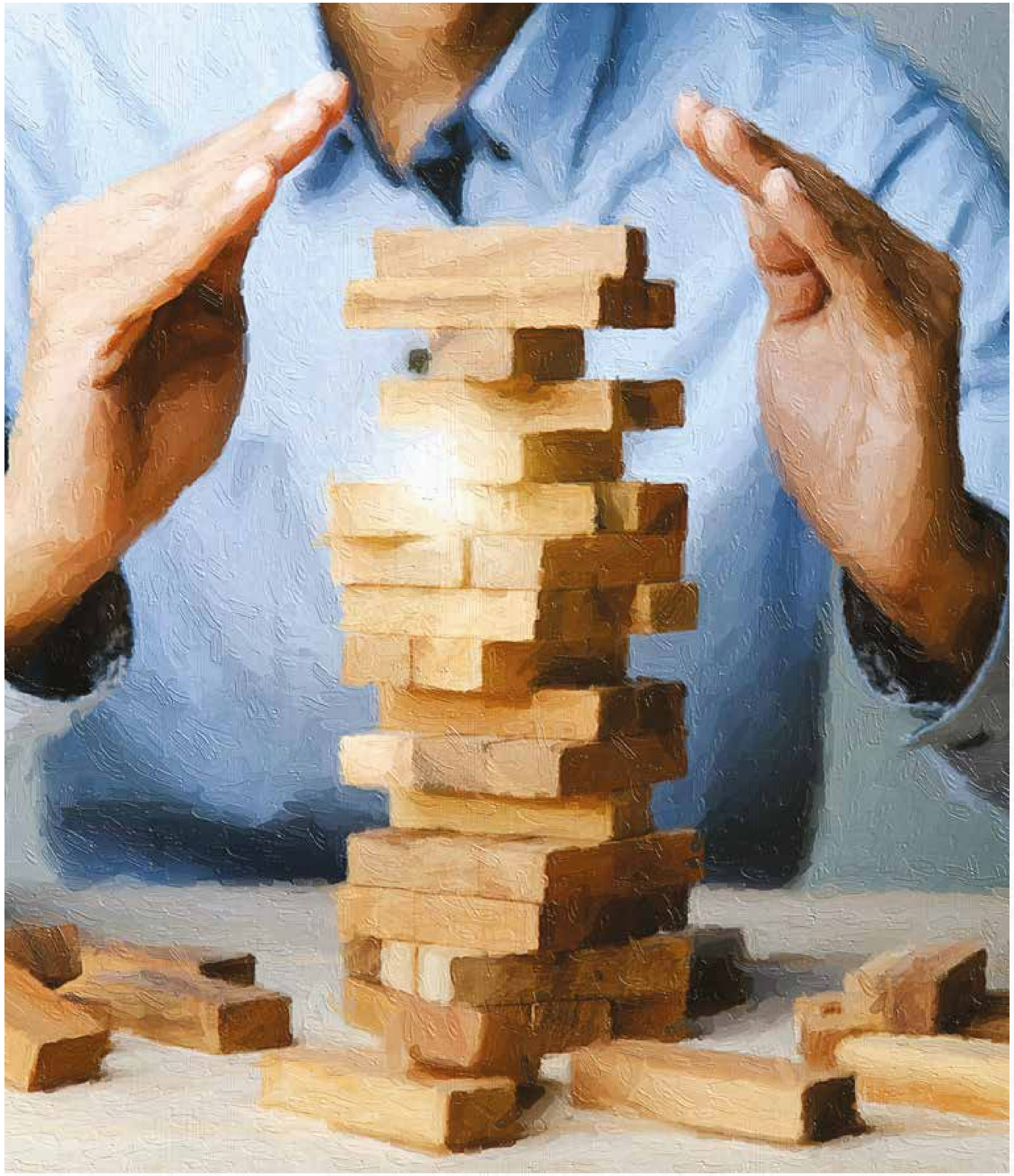
139.1
Disbursement (₹ crore)

Performance – through the year









Risk Management

At Arman, we believe that systematic risk management practices ensure effective navigation to achieve business objectives and enable sustainable growth in a volatile and complex environment. Our Enterprise Risk Management (ERM) framework has been designed to identify, monitor and minimise the adverse impact of strategic, operational, financial and compliance risks faced by the organisation.

Opportunity risk

Growth opportunities may not be adequate to sustain business growth.

Mitigation measure: The recent RBI guidelines have only expanded the opportunity size for NBFC-MFIs by creating a level playing field with other microfinance participants. MSMEs are a focus area for the government which continues to introduce favourable policies to improve their prospects. As a result, MSME loans are expected to remain a high-growth business space.

Geographic risk

A wide geographic presence is essential for business growth.

Mitigation measure: The Company maintains a calculated approach to widening its footprint. This allows it to settle itself in and gain deep insight into the terrain, people, culture, credit worthiness, etc. to facilitate healthy business with quality assets, before venturing into contiguous areas. In FY22, the Company extended its footprint in a new state and entrenched its presence deeper into its existing territories. This progressive approach allows the Company to sustain its growth while maintaining asset quality.

Management risk

By spreading wide, the Management may not be able to manage the business effectively.

Mitigation measure: The Management is cognizant of this reality for which it has invested in an organisation-wide digital solution that allows them to monitor business in real-time and streamline processes as and when required. This solution improves the productivity of the team, seamlessly manages increased volumes and optimises the cost of operations. In addition, the Company has also made Senior level additions to its team to strengthen the Management bandwidth.

People risk

Retaining talent is critical for the business.

Mitigation measure: The Company's people-centric policies such as an above-average pay scale, generous benefits, skill development initiatives and preference for internal promotion have helped it to retain talent. Also, the ESOP policy for middle and senior management has enhanced their bond with the organisation. As a result, the Company has lower attrition rates in comparison to its peers.

Asset Quality risk

Intensify inflationary pressure could impact the repayment power of customers leading to bad loans. Further covid waves could impact the portfolio.

Mitigation measure: The Company had tightened its loan application screening filters during the pandemic and continues to follow the same even today. This facilitates the Company to add credible customers to its client base. Also, the strong focus on collections has enabled it to reach the pre-Covid collection levels. Further, its aggressive provisioning for bad and doubtful debts has ensured that its asset quality is among the best in the industry. Finally, the new RBI microfinance regulations have allowed the Company to marginally increase the interest rates, which appropriately prices in risk due to Covid-related uncertainty.

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should kindly bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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** (w.e.f. 02.09.2021)
   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

BOARD COMMITEES

• Audit Committee

Mr. Yash K. Shah (w.e.f. November 13, 2021)
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 (w.e.f. 13.11.2021)
Member
Mr. Jayendrabhai B. Patel
Member

• Nomination and Remuneration Committee

Mr. Ramakant Nagpal
Chairman
Mr. Yash K. Shah (w.e.f. 13.11.2021)
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 A. Modi

COMPANY SECRETARY

Mr. Jaimish G. Patel

STATUTORY AUDITOR

M/s Talati & Talati LLP

INTERNAL AUDITOR

M/s GBP & Associates

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.: 079-40024135; 40392570
Email: bssahd@bigshareonline.com

BANKERS

State Bank of India
IDBI Bank Ltd
Bank of Baroda
AU Small Finance Bank Limited
IDFC First Bank Limited

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
IDFC Trusteeship Services Limited

NOTICE

Notice is hereby given that the 30th (Thirtieth) Annual General Meeting (AGM) of Arman Financial Services Limited will be held on Thursday, September 29, 2022 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, 2022, 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, 2022.

2. To appoint a Director in place of Mr. Jayendra Patel [DIN-00011814] who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint a Director in place of Mr. Aalok Patel [DIN-02482747] who retires by rotation and being eligible, offers himself for reappointment.

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, 2021 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 INR 300,00,00,000 (Indian Rupees Three 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. Issuance of securities through Qualified Institutions Placement for an aggregate amount not exceeding ₹150 Crores (Rupees One Hundred and Fifty Crores only)

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, 2021 and pursuant to Section 23, 42, 62 and other applicable provisions of the Companies Act, 2013, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) (together the **"Companies Act"**), and in accordance with the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the **"ICDR Regulations"**), and subject to all applicable statutory and regulatory requirements (including inter alia the relevant date on the basis of which price of the Securities or the resultant shares are determined being in compliance with applicable statutory and/or regulatory parameters), the relevant provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) (**"FEMA"**), the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force), and all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India, (**"GOI"**), the Ministry of Corporate Affairs, (**"MCA"**), the Reserve Bank of India, (**"RBI"**), the Securities and Exchange Board of India, (**"SEBI"**), BSE Limited, and, the National Stock Exchange of India Limited, (the **"Stock Exchanges"**), and/or any other applicable regulatory/statutory authorities, and subject to the necessary approval and/or consent of any statutory and/or regulatory authorities, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company, (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law), the consent, approval and sanction of the Board, subject to the approval of the members of the Company, be and is hereby granted to create, issue, offer and allot securities including inter alia ordinary equity shares of the face value of ₹10/- each (Rupees Ten Only) (**"Equity Shares"**), and/or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares, or any combination of securities convertible into or exchangeable for Equity Shares and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/ or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for Equity Shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to Equity Shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India (all of which are hereinafter collectively referred to as **"Securities"**) or by any one or more or a combination of the above or otherwise, upto an aggregate amount of ₹150 Crores (One Hundred and Fifty Crores Only), as may be decided by the Board, at an appropriate time (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more private offerings, in the form of Qualified Institutions Placement (**"QIP"**), or any other method and by way of a placement document ("Offering Document/ Disclosure Document / Information Memorandum"), to eligible investors (whether or not such investors are Indian or foreign, including, without limitation, financial institutions, commercial banks, mutual funds, foreign portfolio investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, insurance companies and other qualified institutional buyers as permitted by applicable statutes and regulations from time to time), at such time/times, in one or more tranches, for cash, at such price or prices, including at a permissible discount (including but not limited to any discount as may be permitted under Chapter VI of ICDR Regulations) / premium to the market price, in such manner and on such terms and conditions including security, rate of interest etc., considering the then prevailing market conditions and other relevant factors wherever necessary, in consultation with the merchant bankers and/or other advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue or allotment of Securities"

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc."

"RESOLVED FURTHER THAT, if the Company proposes to allot any Securities pursuant to a qualified institutions placement (**"QIP"**):

i. the allotment of Securities shall be completed within 12 months from the date of passing of the Special Resolution or such other time as may be allowed under the ICDR Regulations from time to time;

ii. the relevant date shall be the date of the meeting in which the Board or the committee of directors duly authorised by the Board decides to open the issue of such any Securities;

iii. the QIP shall be made at such price not less than the price determined in accordance with the pricing formula provided under the ICDR Regulations (**"QIP Floor Price"**), and the price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 176(4) of the ICDR Regulations, as may be applicable; and

iv. the Board, at its absolute discretion, may offer a discount of not more than 5% (five percent) or such other percentage as may be permitted under applicable law on the QIP Floor Price."

"RESOLVED FURTHER THAT, the Equity Shares as may be required to be issued and allotted in accordance with the terms of the offer shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects including dividend, which shall be subject to relevant provisions on that behalf contained in the Articles of Association of the Company."

"RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;

c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares and the price as aforesaid shall be suitably adjusted; and

d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or reclassification of the Securities into other securities and/ or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made."

"RESOLVED FURTHER THAT, without prejudice to the generality of the above, the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with offering, issuing and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:

i. offer, issue and allot the Securities or any/all of them, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion, including inter alia, (a) terms for issue of additional Securities, (b) terms as are provided in domestic offerings of this nature, and, (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and/or finalizing the objects of the issue/s and the monitoring of the same;

ii. approve, finalise and execute any preliminary as well as final offer document, (including inter alia any draft offer document, offering circular, registration statement or placement document or private placement offer letter and/or other letter or circular (**"Offering Document/Disclosure Document/ Information Memorandum"**), and to approve and finalise any term sheets in this regard;

iii. issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects;

iv. approve, finalise and execute any number of powers of attorney;

v. taking decision to open the issue, and in this regard, to decide the opening and closing dates;

vi. approve, finalise and execute agreements and documents, including lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and/or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s)/merchant banker(s), legal counsel, depository(ies),banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other outgoings in connection therewith;

vii. to provide such declarations, affidavits, certificates, consents and/or authorities as required from time to time, to amend or modify any of the above agreements powers or documents, as required;

viii. seek any consents and approvals, including, inter alia, the consent from the Company's lenders, customers, vendors, parties with whom the Company has entered into agreements with, and from concerned statutory and regulatory authorities;

ix. file requisite documents with the SEBI, BSE Limited / National Stock Exchange of India Limited, the Reserve Bank of India, and any other statutory and/ or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;

x. seeking the listing of the Securities on any stock exchange/s, submitting the listing application to such stock exchange/s and taking all actions that may be necessary in connection with obtaining such listing approvals, (both in principle and final listing and trading approvals);

xi. open one or more bank accounts in the name of the Company in Indian currency, in relation to the Issue, and the director/s and/or officer/s of the Company as authorized by the Board who shall be authorized to sign and execute the application form and other documents required for opening the said account/s, to operate the said account/s, and to give such instructions including closure thereof as may be required and deemed appropriate by the said signatories, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the Company;

xii. do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board or any duly authorised committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects;

xiii. settle any issues, questions, difficulties or doubts that may arise;

xiv. approving the issue price, finalize the basis of allotment of the Securities on the basis of the bids/applications and over-subscription thereof as received, where applicable;

xv. acceptance and appropriation of the proceeds of the issue of the Securities; and

xvi. further authorise any committee and/or director/s and/or officer/s of the Company to seek the aforementioned consents and approvals, and/or to execute and/or file the above documents and/or to carry out any/all of the aforesaid actions.

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 vide circular no. 03/2022 dated May 5, 2022, has allowed the Companies whose AGM are due to be held in the year 2022, to conduct their AGMs on or before December 31, 2022 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. The detailed procedure for participation in the meeting through VC / OAVM is as per note no. 24 and is also available at the Company's website www.armanindia.com.

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 authorizing 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 Act.

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 Act in respect of the Special Business i.e. Item No. 4 and 5 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. Thursday, September 22, 2022, 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. 24.

8. In compliance with the MCA Circulars and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, 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 30th AGM and the Annual Report of the Company for the year ended March 31, 2022 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. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at secretarial@armanindia.com on or before Saturday, September 24, 2022 (5:00 p.m. IST). 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 right to restrict the number of speakers depending on the availability of time for the AGM. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session. Hence, Members are encouraged to send their questions/queries in advance to the Company at secretarial@armanindia.com on or before Saturday, September 24, 2022, which would be replied by the Vice Chairman & Managing Director at the time of the meeting. For this purpose, it would not be necessary to register as speaker.

10. The Register of Members and the Share Transfer Books in respect of the Equity Shares will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of AGM.

11. Mr. Ishan P. Shah, Advocate 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.

12. 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 the 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.

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

14. 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.

15. SEBI vide its circular dated June 8, 2018 amended Regulation 40 of the Listing Regulations pursuant to which 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 reduce 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.

16. Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the Company's Registrars and Transfer Agent (RTA). In case any unclaimed Dividend Warrant is lying with any member, the same should be forwarded to RTA for revalidation.

    Members are requested to note that dividends not encashed or claimed within seven years from the thirty days of declaration of dividend, will, as per Section 124 of the Act, be transferred to the IEPF.

    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, 2021 on its website www.armanindia.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.

    Further, provisions of Section 124 of the Act read with Rule 6 of IEPF Rules as amended, inter alia, mandates the Company to transfer all such shares, in respect of which dividend have not been paid or claimed for seven consecutive years or more, to the demat account of IEPF Authority.

    During the year 2021-22, the Company has transferred 6,300 equity shares to the demat account of IEPF Authority.

17. 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.

18. 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 re-appointment in the AGM has been provided in the explanatory statement to the Notice.

19. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023 and linking PAN with Aadhaar vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars Bigshare Services Private Limited.

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

    In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

20. 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.

21. 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

22. 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.

23. 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

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

    The remote e-voting period begins on Monday, September 26, 2022 at 09:00 A.M. and ends on Wednesday, September 28, 2022 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. Thursday, September 22, 2022, 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 Thursday, September 22, 2022.

    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. App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

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.co.in 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 ipshah13@gmail.com with a copy marked to evoting@nsdl.co.in. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in.

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.co.in 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 link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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 secretarial@armanindia.com. The same will be replied by the company suitably.

25. Details of the Directors seeking appointment / re-appointment at the 30th (Thirtieth) 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. Aalok Patel
DIN	02482747
Date of Birth (Age)	August 02, 1984 (38 Years)

Relationships with other Directors	Son of Mr. Jayendra Patel & Mrs. Ritaben Patel; and Brother of Mr. Aakash Patel
Date of first appointment	January 01, 2007
Expertise / Brief Resume	**Expertise:** Accounts & Finance **Brief resume:** Mr. Aalok 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 at the 27th AGM held on September 23, 2019.
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 Patel was appointed as a Joint Managing Director of the Company for the period of 5 years by way of the resolution passed by the shareholders of the Company at the 27th Annual General Meeting held on September 23, 2019.
No. of Board meetings attended during FY 2021-22	6
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	Retire by rotation
Name of Director	Mr. Jayendrabhai Patel
DIN	00011814
Date of Birth (Age)	October 13, 1951 (71 Years)
Relationships with other Directors	Husband of Mrs. Ritaben Patel; Father of Mr. Aakash Patel & Mr. Aalok 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 28 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. Jayendra 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 2021-22	6
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

Place: Ahmedabad
Date: August 14, 2022

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

By Order of the Board

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

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

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 INR 300,00,00,000 (Indian Rupees Three 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

Given the Company's future growth plans, the Board of Directors of the Company, ("Board" which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), considers it necessary to augment the long term resources of the Company by way of issuing securities to eligible investors, subject to an aggregate maximum limit of up to an amount of ₹150 Crores (One Hundred and Fifty Crores Only), and further subject to the prevailing market conditions, receipt of regulatory approvals and other relevant considerations.

Objects of the fund raise: The Board intends to deploy the net proceeds from the issue of the above mentioned securities for various financing activities, investment in subsidiary, loans to its subsidiary, working capital requirements and general corporate purposes.

As the Issue will result in the issue of Securities of the Company to investors who may not be members of the Company, consent of the members is being sought, for passing the Special Resolution as set out in the said item 6 of the Notice, pursuant to Sections 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section 62(1)(c) of the Companies Act, 2013, as amended ('Companies Act, 2013'), provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing shareholders of such company in the manner laid down therein.

Since, this special resolution may result in the issue of Equity Shares of the Company to persons other than Members of the Company, consent of the Members is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The additional capital may be raised through issuance of further Equity Shares and/or any other securities on Qualified Institutions Placement (QIP) in one and any combination thereof. Member's approval is therefore sought for issuing any such instrument as the Company may deem appropriate.

Whilst no specific instrument has been identified at this stage, in the event, the issue will be structured in such a manner that the amount of the same would not exceed ₹150 Crores (One Hundred and Fifty Crores Only).

The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities the detailed terms and conditions for the issue will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements. The proposal therefore seeks to confer upon the Board the absolute discretion to determine the terms of issue.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the **"ICDR Regulations"**), the Companies Act, 2013, or any other guidelines/regulations/ consents as may be applicable or required. However, the Board in accordance with applicable law and in consultation with book running lead managers, may offer a discount of not more than 5 per cent or such percentage as permitted under applicable law on the floor price determined pursuant to the ICDR Regulations.

Therefore, an enabling resolution is being proposed to give Board an adequate flexibility and absolute discretion to determine the terms of issue in consultation with the lead managers and others.

In the event of the issue of the Equity Shares as aforesaid by way of QIP, the special resolution also seeks to empower the board to undertake QIP as defined by ICDR Regulations.

In connection with the proposed issue of Securfities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post preferential offer capital that may be held by them and shareholding pattern of the company are not provided. Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

The "Relevant Date" for this purpose will be the date as determined in accordance with the ICDR Regulations and as mentioned in the resolution.

The issue/allotment/conversion would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Equity Shares including Equity Shares to be allotted on conversion of Securities to foreign/non-resident investors would be subject to the applicable foreign investment cap.

The following disclosures for the issue of Equity Shares on private placement are made in accordance with the provisions of Section 42 and The Companies (Prospectus and Allotment of Securities) Rules, 2014.

(i)	Date of passing of Board resolution	August 14, 2022
(ii)	Kinds of securities offered	Equity Shares/ any other Securities convertible into equity shares
(iii)	The price at which the allotment is proposed and justification of the price	The pricing of the Equity Shares/ any other securities that may be issued to Qualified Institutional Buyers pursuant to a QIP shall be determined subject to such price not being less than the price calculated in accordance with Chapter VI of the ICDR Regulations, provided the management, may offer a discount of not more than 5 per cent or such percentage as permitted under applicable law on the floor price determined pursuant to the ICDR Regulations
(iv)	Name and address of the valuer	Not applicable
(v)	Amount to be raised by the Company	Upto ₹150 Crores (One Hundred and Fifty Crores Only) in one or more tranches
(vi)	Proposed time schedule	The allotment pursuant to the special resolution shall be completed within a period of 12 months from the date of passing of the resolution
(vii)	The objects of the issue	For various financing activities, investment in subsidiary, loans to its subsidiary, working capital requirements and general corporate purposes
(viii)	Material terms of the issue	In case of Equity Shares, the securities issued will rank pari-passu with existing Equity Shares and in case of convertible securities the term of the issue will be decided by the committee constituted by the Board.
(ix)	Contribution being made by Promoters or Directors of the Company	No contribution being made by Promoters or Directors of the Company

Disclosure of nature of concern or interest, financial or otherwise u/s 102 of Companies Act, 2013

The Board believes that such an issue of Securities of the Company is in the interest of the Company and therefore Board recommends the special resolution set forth in the Item No. 5 of the Notice for approval of the Members.

None of the Promoter, Director, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in the said resolution, except to the extent of Equity Shares/Securities that may be subscribed to by them or by companies/firms/institutions in which they are interested as director or member or otherwise.

Place: Ahmedabad
Date: August 14, 2022

By Order of the Board

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

Arman Financial Services Limited

Directors' Report • Auditor's Report • Account Statements • Notes

DIRECTOR'S REPORT

Dear Members

The Board of Directors of the Company with immense pleasure present their 30th Director's Report together with the Audited Financial Statement for the year ended on March 31, 2022.

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	
	2021-22	2020-21	2021-22	2020-21
Total Revenue	23,500.56	19,503.90	6,621.85	6,354.77
Profit Before Interest and Depreciation	13,592.12	9,179.83	3,929.01	2,947.34
Finance Charges	8,945.03	7,922.50	1,789.01	1,997.74
Depreciation	95.27	80.98	10.03	10.12
Net Profit Before Tax	4,551.82	1,176.35	2,129.97	939.49
Current Tax	1,495.10	1,089.70	490.10	525.70
Deferred Tax (Asset)/Liability	(115.84)	(981.31)	16.42	(392.31)
Sort/(Excess) provision of income tax of earlier year	0.28	6.36	0.00	6.36
Net Profit After Tax	3,172.28	1,061.61	1,623.44	799.74
Basic Earnings Per Share (In ₹)	37.36	12.53	19.12	9.44

2. OPERATIONS

Your Company continues to engage in the business of Asset Finance, MSME and Microfinance. The Parent Company, Arman Financial Services Limited, is engaged in two-wheeler finance and MSME; 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 ₹1233.22 Crores in FY 2021-22 as compared to ₹814.38 Crores in FY 2020-21, increased by 51.43%.
- Disbursement was ₹1023.29 Crores in FY 2021-22 as compared to ₹509.66 Crores in FY 2020-21, increased by 100.78%.
- Total income was ₹235.01 Crores in FY 2021-22 as compared to ₹195.04 Crores in FY 2020-21, increased by 20.49%.
- Profit before taxes was ₹45.52 Crores in FY 2021-22 as compared to ₹11.76 Crores in FY 2020-21, increased by 287.07%.
- Profit for the year attributable to owners of the Company was ₹31.72 Crores in FY 2021-22 as compared to ₹10.61 Crores in FY 2020-21, increased by 198.96%.
- The basic Earning Per Share was ₹37.36 as compared to ₹12.53, increased by 198.16%.

Standalone Performance Highlights

- AUM was ₹211.22 Crores in FY 2021-22 as compared to ₹171.28 Crores in FY 2020-21, increased by 23.32%.
- Disbursement was ₹183.18 Crores in FY 2021-22 as compared to ₹92.10 Crores in FY 2020-21, increased by 98.89%.
- Total income was ₹66.22 Crores in FY 2021-22 as compared to ₹63.55 Crores in FY 2020-21, increased by 4.20%.
- Profit before taxes was ₹21.30 Crores in FY 2021-22 as compared to ₹9.39 Crores in FY 2020-21, increased by 126.72%.
- Profit for the year attributable to owners of the Company was ₹16.23 Crores in FY 2021-22 as compared to ₹8.00 Crores in FY 2020-21, increased by 103.00 %.
- The basic Earning Per Share was ₹19.12 as compared to ₹9.44, increased by 102.54%.

3. DIVIDEND

In order to conserve capital to deal with the uncertain economic environment arose due to the outbreak of the COVID-19 pandemic, 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://www.armanindia.com/corporategovernance.aspx -> Dividend Distribution Policy.

4. AMOUNTS TRANSFERRED TO RESERVES

The Board of the Company has transferred the amounts to reserve as under:

- Transfer to special reserve as required by Section 45-IC of the Reserve Bank of India Act, 1934: ₹325 Lakhs.
- Transfer to general reserve: ₹10 Lakhs

5. 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.

6. 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 to **"ACUITE A-"**; (Triple A minus; outlook stable).

CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") at **"CARE BBB+"**; stable (Triple B plus; outlook stable). The Grading of Namra Finance Limited (WOS) was also reaffirmed **'MFI 2+'** (MFI two plus) by CARE Advisory Research & Training Limited during the year 2021-22.

7. 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://www.armanindia.com/corporategovernance.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.

8. INVESTMENT IN SUBSIDIARY

During the year under review, the Company has further invested ₹27,53,90,000/- in Namra Finance Limited (wholly owned subsidiary) by subscribing 28,25,000 equity shares of ₹10/- each at the rate of ₹44.40 (including premium of ₹34.40) and 32,60,000 equity shares of ₹10/- each at the rate of ₹46.00 (including premium of ₹36.00) on a right basis. Total investment is wholly owned subsidiary stood at ₹85.66 cr.

9. UNCLAIMED DIVIDEND & SHARES

During the year Company has transferred unclaimed dividend for the year 2013-14 of ₹3,28,358/- 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 2014-15 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.

10. LOANS, GUARANTEES AND INVESTMENTS

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.

11. 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.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 9 (Nine) members, of which 4 (Four) are Independent Directors and 1 (One) is a Nominee Director. 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. Jayendra Patel [DIN- 00011814] and Mr. Aalok Patel [DIN- 02482747] will retire by rotation at the ensuing AGM and being eligible, offer themselves for reappointment.

a) Appointment

During the year, Mr. Yash Shah (DIN: 02155636) was appointed as an Additional Director (Independent) by the Board of Directors to hold the office from September 2, 2021 till the conclusion of 29th Annual general Meeting. The Shareholders of the Company by way of ordinary resolution, at the 29th Annual General Meeting has confirmed his appointment for a period of 5 years with effect from September 2, 2021.

Based on the recommendation made by the Nomination & Remuneration Committee, the Board of Director has appointed Mrs. Bhoomi Mukulbhai Parekh (DIN - 09684305) as an Additional Director (Woman Independent) for a period of five years with effect from August 12, 2022 subject to approval of shareholder in the ensuing Annual General Meeting. Brief resumes of the directors being appointed / re-appointed form part of the Notice of the ensuing AGM.

b) Resignation

Mr. Kaushikbhai D. Shah (DIN-00024305), Independent Director of the Company has given his resignation from the office of Directorship citing personal reasons w.e.f. August 12, 2021. The Board has accepted his resignation and placed on record its appreciation & deep gratitude for the valuable guidance for last 26 years and acknowledges his integrity, fairness, astute leadership, keen insight and prudent judgment as a member of the Board.

c) 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

13. MEETING OF THE BOARD & AUDIT COMMITTEE

The Board during the financial year 2021-22 met 6 (six) 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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, 2022, 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, 2022 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.

19. 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.

20. 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 29th AGM held on September 29, 2021, has appointed M/s Talati & Talati LLP, Chartered Accountants, (Firm Registration No. 110758W/W100377), as the Statutory Auditors of the Company for a term of three years, i.e., from the conclusion of 29th AGM till the conclusion of the 32nd AGM.

The Auditors' Report to the Members for the year under review is unmodified. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

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.: F19866 and Certificate of Practice No.: 31820) to undertake the Secretarial Audit of the Company for the financial year 2021-22.

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.

21. 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://www.armanindia.com/corporategovernance.aspx -> Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions.

22. RISK MANAGEMENT

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.

23. 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. The Audit Reports of Internal Auditor along with their 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. DEPOSITORY SYSTEM

The Company's Equity Shares are compulsorily tradable in electronic form. As on March 31, 2022, out of the Company's total equity paid-up share capital comprising of 84,91,584 Equity Shares, only 1,67,910 (1.98%) Equity Shares were in physical form and the remaining capital was in dematerialised.

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, with effect from January 24, 2022, 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.

29. 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://www.armanindia.com/corporategovernance.aspx -> Whistler Blower Policy

30. 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.

31. 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 2021-22 is available on the website of the Company at https://armanindia.com/quaterlyandannualreports.aspx ->Annual Return 2021-22

32. 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:

Expenditure in foreign currency: Nil

Earnings in foreign currency: Nil

33. SHARES & SHARE CAPITAL

As on March 31, 2022, the Company's paid-up Equity Share Capital was ₹8,49,15,840/- divided into 84,91,584 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.

- **Employees Stock Option Plan**

  There has been no material change in the ESOP Schemes during the year under review. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBSE Regulations").

During the financial year under the review, the Company has allotted 3,200 ordinary equity shares of ₹10/- each on September 22, 2021 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".**

34. 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://www.armanindia.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-5".**

35. BUSINESS RESPONSIBILITY REPORT

Your Company forms part of the top 1000 listed entities on BSE Limited and National Stock Exchange of India Limited as on March 31, 2022. Accordingly, pursuant to Regulation 34(2) of SEBI Listing Regulations, Company is required to submit a Business Responsibility Report ("BRR") as a part of the Annual Report. The Company's BRR describing the initiatives taken by the Company is uploaded on the website of the Company at https://armanindia.com/quaterlyandannualreports.aspx ->Business Responsibility Report 2021-22.

36. 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.

37. 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.

38. 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.

39. 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.

40. 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

Date: August 14, 2022	**Jayendra Patel**	**Aalok Patel**
Place: Ahmedabad	(Vice Chairman & Managing Director)	(Joint Managing Director)
	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, 2022
3.	Reporting Currency of the Subsidiary Company	INR
4.	Share Capital	3,326.00
5.	Reserves & Surplus	12,874.92
6.	Total Assets	1,00,720.99
7.	Total Liability	84,520.07
8.	Investment	591.74
9.	Turnover	17,304.29
10.	Profit before tax	2,717.57
11.	Provision for tax	873.02
12.	Profit after tax	1,844.55
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 2021-22:

Name of Director	Designation	Remuneration of the Directors for 2021-22 (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Alok Prasad	Chairman & Independent Director	1.73	1.02:1
Jayendra Patel	Vice Chairman & Managing Director	20.14	11.96:1
Aalok Patel	Joint Managing Director	9.96	5.92:1
Kaushikbhai Shah	Independent Director	0.58	0.34:1
Ramakant Nagpal	Independent Director	1.68	1.00:1
Ritaben Patel	Non-Executive Director	0.75	0.45:1
Aakash Patel	Non-Executive Director	Nil	N.A.
Mridul Arora	Nominee Director	Nil	N.A.
Geeta Solanki	Independent Director	0.85	0.50:1
Yash Shah	Independent Director	0.98	0.58:1

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

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	40.82%
Jayendra Patel	Vice Chairman & Managing Director	Remuneration	1.07%
Aalok Patel	Joint Managing Director	Remuneration	0.00%
Kaushikbhai Shah	Independent Director	Sitting fee	(50.00%)
Ramakant Nagpal	Independent Director	Sitting fee	55.81%
Ritaben Patel	Non-Executive Director	Sitting fee	(25.00%)
Aakash Patel	Non-Executive Director	Sitting fee	N.A.
Mridul Arora	Nominee Director	Sitting fee	N.A.
Geeta Solanki	Independent Director	Sitting fee	40.82%
Yash Shah	Independent Director	Sitting fee	N.A.
Vivek Modi	Chief Financial Officer	Remuneration	10.00%
Jaimish Patel	Company Secretary	Remuneration	10.00%

iii. The percentage increase in the median remuneration of employees in the financial year 2021-22: (16.17%)

iv. There were 521 employees on the rolls of Company as on March 31, 2022.

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 10%. Increase in remuneration of managerial personnel is 5.50%. The increase in remuneration of employees other than the managerial personnel is more than the increase in remuneration of managerial personnel.

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, 2022

[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, 2022 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, 2022 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; **(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;
   e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
   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.

Place: Ahmedabad
Date: August 14, 2022

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 31820/19866
UDIN: A031820D000772054

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.

Place: Ahmedabad
Date: August 14, 2022

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 31820/19866
UDIN: A031820D000772054

ANNEXURE–4

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 For Financial Year 2021-22

The Nomination and Remuneration Committee (Compensation Committee) of the Company, inter alia, administers and monitors the Arman Employee Stock Option Plan 2016 ("ESOP 2016") 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. 39 of the Notes to Accounts forming part of the Annual Report 2021-22 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"):

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)
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				

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:

Particulars	Details
Number of options outstanding at the beginning of the period	7,700
Number of options granted during the year	2,000
Number of options forfeited / lapsed during the year	2,000
Number of options vested during the year	3,200
Number of options exercised during the year	3,200
Number of shares arising as a result of exercise of options	3,200
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹1,60,000
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	4,500
Number of options exercisable at the end of the year	4,500

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	₹50/-	₹695.07

f. Employee-wise details of options granted during the financial year 2021-22:

i. Senior managerial personnel:

Name of Employee	Designation	No of Options Granted during the year	Exercise Price
Ravi Patel	HR Head	1,000	₹50/-
Prabhat Kumar	State Head -U.P. (Micro Finance)	1,000	₹50/-

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:

i.	Weighted-average values of:	Details				
	Grant trench	Grant IV		Grant V		
	Vesting Date	12.02.2023	12.02.2024	14.02.2023	14.02.2024	14.02.2025
ii.	Share price at grant date	₹729/-	₹729/-	₹748/-	₹748/-	₹748/-
	Exercise price	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-
	Expected volatility	50.97%	50.97%	50.97%	50.97%	50.97%
	Expected option life	2.12 years	2.13 years	1.12 years	2.12 years	3.12 years
	Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
	The risk-free interest rate	4.52%	5.00%	4.63%	4.93%	5.40%
	Any other inputs to the model	N.A.	N.A.	N.A.	N.A.	N.A.
	Fair Value of Option	684.47	687.15	700.18	702.61	705.43
iii.	The method used and the assumptions made to incorporate the effects of expected early exercise					
iv.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility					
v.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition					

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:

a. Mr. Jayendra Patel, Chairperson
b. Mr. Aalok Patel, Member
c. Mr. Alok Prasad, 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.armanindia.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): **₹11,92,66,749/-**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹23,85,335/-**

   (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): **₹23,85,335/-**

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
₹8,59,540/-	₹15,25,795/-	April 26, 2022	-	-	-

(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 and CSR Registration Number
1	Healthcare Programme	Financial support for construction of occupational therapy center	Yes	Gujarat,	Ahmedabad	3 Years	₹21.26 Lakhs	₹7.00 Lakhs	₹14.26 Lakhs	No	Sadvichar Parivar CSR00006145
2	Educational and Healthcare Programme	Financial support for education to the children of poor families and also to provide healthcare support to the needy people of the society	Yes	Gujarat,	Ahmedabad	3 Years	₹1.00 Lakh	Nil	₹1.00 Lakh	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	₹1,59,540/-	No	Riverside Foundation	CSR00016335

(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): ₹23,85,335/-

(g) Excess amount for set off, if any: Not Applicable

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	2020-21	Nil					
2	2019-20						
3	2018-19						

(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
Not Applicable								

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, 2022, the strength of the Board was 9 (Nine) comprising of Vice Chairman and Managing Director and Joint Managing Director, 2 (two) Non-Executive Directors, 1 (one) Nominee Director 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, 2022 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.

Details of Directors as on March 31, 2022 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2022 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	6	No	3	• Arman Financial Services Limited (Independent Director)	1	4
Jayendra Patel	VC-MD	6	Yes	2	• Arman Financial Services Limited (Vice Chairman & Managing Director)	-	1
Aalok Patel	JMD	6	Yes	2	• Arman Financial Services Limited (Joint Managing Director)	-	1
Aakash Patel	NED	1	No	1	• Arman Financial Services Limited (Non-Executive Director)	-	-
Ritaben Patel	NED	4	Yes	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	6	Yes	3	• Arman Financial Services Limited (Independent Director)	1	1
Mridul Arora	ND	6	No	2	• Arman Financial Services Limited (Nominee Director)	-	-
Geeta Solanki	ID	5	Yes	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.

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 36 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 28 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 11 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 12 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.	Mridul Arora	Mr. Mridul Arora focuses on consumer internet/mobile investments with a keen interest in fin-tech and health-tech. Prior to joining SAIF, Mridul was an Engagement Manager with McKinsey & Company where he focused on financial services, in particular banking, insurance, and asset management.
9.	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 6 (six) times in financial year and details of which are summarized as below:

SRN	Date of Meeting	Board Strength	No. of Director Present
1.	June 24, 2021	9	8
2.	August 12, 2021	9	9
3.	October 6, 2021	9	8
4.	November 13, 2021	9	8
5.	February 14, 2022	9	7
6.	March 28, 2022	9	6

- **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. K. D. Shah (upto August 12, 2021)	Independent Director	Chairman
2.	Mr. Yash Shah (w.e.f. November 13, 2021)	Independent Director	Chairman
3.	Mr. Alok Prasad	Independent Director	Member
4.	Mr. Ramakant Nagpal	Independent Director	Member
5.	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 June 24, 2021; August 12, 2021; October 6, 2021; November 13, 2021; and February 14, 2022. The attendance at the meetings is as under:

Name of Directors	No. of Meetings attended
Mr. K. D. Shah- Chairman (upto August 12, 2021)	2
Mr. Yash Shah- Chairman (w.e.f. November 13, 2021)	2
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. K. D. Shah (upto August 12, 2021)	Independent Director	Member
4.	Mr. Yash Shah (w.e.f. November 13, 2021)	Independent Director	Member
5.	Ms. Geeta Solanki	Independent Director	Member

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Nomination & Remuneration Committee met 2 (two) times on August 12, 2021; and February 14, 2022. The attendance at the meetings is as under

Name of Directors	No. of Meetings attended
Mr. Ramakant Nagpal- Chairman	2
Mr. Alok Prasad	2
Mr. K. D. Shah (upto August 12, 2021)	1
Mr. Yash Shah (w.e.f. November 13, 2021)	1
Mrs. Geeta Solanki	2

- **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, 2022 was as under:

Name of the Director	Remuneration	Period of appointment	Approving Authority
Jayendra Patel	20.13 Lakhs	Five years w.e.f. September 29, 2021	29th AGM
Aalok Patel	9.96 Lakhs	Five years w.e.f. August 21, 2019	27th AGM
Total	**30.09 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.

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	1.72	-
Mr. K. D. Shah	0.57	-
Mr. Yash Shah	0.97	-
Mr. Ramakant Nagpal	1.67	-
Mr. Aakash Patel	Nil	-
Mr. Mridul Arora	Nil	-
Mrs. Ritaben Patel	0.75	4,36,089
Ms. Geeta Solanki	0.85	-

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. K. D. Shah (upto August 12, 2021)	Independent Director	Member
3.	Mr. Yash Shah (w.e.f. November 13, 2021)	Independent Director	Member
4.	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 14, 2022. 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 not received any complaint from the shareholder. 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.

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 1 (one) time on February 14, 2022. The attendance at the meetings is as under

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

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 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
4.	Mr. Vivek Modi	Chief Financial Officer	Member

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 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. Vivek Modi	Chief Financial Officer	Member

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 March 15, 2022, 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
2018-19	ATMA Hall, Ahmedabad	Monday, September 23, 2019, 12.00 p.m.	2
2019-20	Virtual Meeting	Tuesday, September 29, 2020, 12.00 p.m.	4
2020-21	Virtual Meeting	Wednesday, September 29, 2021, 12.00 p.m.	3

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://www.armanindia.com/corporategovernance.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://www.armanindia.com/corporategovernance.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. 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.

15. 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://www.armanindia.com/corporategovernance.aspx->Policy For Material Subsidiary.

16. 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 tollfree number 18001027626 i.e. (1800-10-ARMAN) has been established for the Shareholders for communicating any grievances.

c) Annual General Meeting

The 30th Annual General Meeting will be held on Thursday, September 29, 2022 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

d) Financial Calendar

First quarter results: July/August 2022
Second quarter results: October/November 2022
Third quarter results: January/February 2023
Annual results: April/May 2023
Annual General Meeting: August/September 2023

e) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive) for determining the name of members eligible to attend the AGM.

f) Dividend Payment

In order to conserve capital to deal with the uncertain economic environment arising out of COVID-19 pandemic, 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
- National Stock Exchange of India Limited

Annual Listing fee for the year 2022-23 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 2021-22 is furnished below:

Months	Share price BSE		Share price NSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2021	642.00	523.00	704.00	520.00
May, 2021	630.00	514.50	648.85	513.90
June, 2021	759.55	600.00	759.00	601.15
July, 2021	795.00	631.80	795.00	638.00
August, 2021	771.00	603.95	776.80	605.60
September, 2021	1023.80	702.00	1026.95	701.30
October, 2021	1135.00	827.05	1105.00	820.00
November, 2021	1100.00	902.30	1098.80	895.00
December, 2021	1057.25	840.70	1060.00	836.55
January, 2022	927.15	679.25	934.95	673.70
February, 2022	848.25	708.95	849.25	709.45
March, 2022	1026.00	744.50	1030.00	744.20

m) 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.

n) Distribution of Shareholding as on March 31, 2022

- **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	8,124	6,11,563	7.20	1,175	1,35,610	1.60	9,299	7,47,173	8.80
2	501-1000	347	2,53,575	2.99	20	16,900	0.20	367	2,70,475	3.19
3	1001-2000	174	2,49,634	2.94	6	8,700	0.10	180	2,58,334	3.04
4	2001-3000	45	1,13,738	1.34	1	2,200	0.03	46	1,15,938	1.37
5	3001-4000	30	1,04,237	1.23	0	0	0.00	30	1,04,237	1.23
6	4001-5000	22	98,322	1.16	1	4,500	0.05	23	1,02,822	1.21
7	5001-10000	27	1,93,819	2.28	0	0	0.00	27	1,93,819	2.28
8	Above 10000	61	66,98,786	78.89	0	0	0.00	61	66,98,786	78.89
	TOTAL	**8,830**	**83,23,674**	**98.02**	**1,203**	**1,67,910**	**1.98**	**10,033**	**84,91,584**	**100.00**

- **On the basis of Category:**

Category	No of Shares Held	% to Total Shares Held
Promoters	23,31,333	27.45%
Foreign Portfolio Investor	4,19,667	4.94%
Individual	27,25,280	32.09%
Bodies Corporate	3,07,838	3.63%
NRIs & Foreign Nationals	24,46,982	28.82%
HUF	64,186	0.76%
IEPF Authority	1,85,855	2.19%
Clearing Members	10,413	0.12%
Central/ State Government	30	0.00%
TOTAL	**84,91,584**	**100.00%**

o) 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 10,130 equity shares. As on March 31, 2022, 98.02% 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.

p) 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.

q) 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.

r) Outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2022

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2022.

s) Employees Stock Option Scheme

During the year 3200 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 not granted any fresh option under the "ARMAN ESOP 2016".

t) Plant Locations

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

u) 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

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

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

w) 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 to "ACUITE A-"; (Triple A minus; outlook stable). CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") at "CARE BBB+"; stable (Triple B plus; outlook stable). The Grading of Namra Finance Limited (WOS) was also reaffirmed 'MFI 2+' (MFI two plus) by CARE Advisory Research & Training Limited during the year 2021-22.

x) Details of utilization of funds raised

During the year under review, the Company has not raised any money through issuance of equity shares except shares allotted pursuant to "ARMAN ESOP 2016", however, the Company has raised the debt fund from Banks / Financial Institutions. The Company has utilized the fund towards the working capital as well as capital expenditure to support business expansion, repayment of loan and investments by the Company.

y) 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.

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

aa) The Consolidated fees paid by the Company and its subsidiary to statutory auditors is ₹21.03 Lakhs (towards audit fees, tax audit, certification work and income tax consultancy fee) for the financial year 2021-22.

bb) 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.

cc) 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.

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

ee) 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.

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, 2022 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, 2021 to March 31, 2022. 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.

Place: Ahmedabad
Date: August 14, 2022

For, **GKV & Associates,**
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 31820/19866
UDIN: A031820D000772111

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, 2022.

Place: Ahmedabad
Date: August 14, 2022

For, and on behalf of the Board

Jayendra Patel
Chief Executive Officer
DIN: 00011814

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, 2022 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, 2022
Place: Ahmedabad

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of
ARMAN FINANCIAL SERVICES LIMITED

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, 2022, the Consolidated statement of Profit and Loss (Including other Comprehensive Income), the Consolidated statement for Changes in Equity and the Consolidated statement of Cashflows 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, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year 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.

EMPHASIS OF MATTER

As described in Note 3 to the Consolidated Financial Statements, additional Expected Credit Loss (ECL) Provision on account of COVID-19 pandemic is based on Company's Collection Experience post Lockdown, internal assessment and other emerging forward looking factors on account of the Pandemic. During the Current Financial Year, Management of Holding Company has reduced Additional Expected Credit Loss (ECL) Provision which was provided as a part of additional Management Overlay in previous Financial year 2020-21 on account of uncertainties related to COVID-19 Pandemic, Considering Company's Collection Experience in respect of new Disbursements post Lockdown. However, the actual impact may vary due to prevailing uncertainty caused by the Pandemic. Our opinion is not modified in respect of the above matters.

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, 2022 the Group has financial assets (loans) amounting to ₹1,05,760.67 Lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognise 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, 2022. 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. Further, due to COVID Pandemic and moratorium granted by the company, the calculation of expected credit loss had further challenges as the future outcome is dependent on various events, the outcome of which is uncertain. The management has recognised a provision of ₹1,268.62 Lakhs in Consolidated Statement of Profit and Loss for the year ended March 31, 2022. 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 recognised 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 recognised 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 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 ₹1,00,720.99 Lakhs as at March 31, 2022 and total revenues (Including Other Income) ₹17,304.29 Lakhs for the year ended on March 31, 2022 respectively, total net profit after tax of ₹1,844.55 Lakhs for the year ended March 31, 2022 respectively, total comprehensive income of ₹1,378.19 Lakhs for the year ended on March 31, 2022 and net cash inflow of ₹565.62 Lakhs for the year ended on March 31, 2022, 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.

The Consolidated Financial Statement includes comparative financial statements for the year ended on March 31, 2021 which has been audited by the then auditor "Samir M Shah & Associates, Chartered Accountants"; whose report dated June 24, 2021 expressed an unmodified opinion on those consolidated financial statements.

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.

   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, 2022 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, 2022 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 subclause (d) (i) and (d) (ii) contain any material mis-statement.

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

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: 22188150AMQCFL6299
Membership No. 188150

Place: Ahmedabad
Date: May 30, 2022

ANNEXURE A to Independent Auditor's Report

On Consolidated Financial Statements Of Arman Financial Services Limited for the year ended on March 31, 2022.

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(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, 2022, 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 2022, 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 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 judgement, 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: 22188150AMQCFL6299
Membership No. 188150

Place: Ahmedabad
Date: May 30, 2022

Consolidated Balance Sheet

as at March 31, 2022 (₹ in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	7,552.76	8,791.77
(b) Bank Balance other than (a) above	2	6,681.27	8,045.65
(c) Loans	3	1,05,760.67	74,262.69
(d) Investments	4	591.74	317.73
(e) Other financial assets	5	1,299.67	789.30
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	-	-
(b) Deferred tax Assets (Net)	7	1,651.02	1,336.75
(c) Property, Plant and Equipment & Other Intangible asssets	8	365.20	348.55
(d) Intangible assets under development	8	2.62	-
(e) Right-of-Use Assets	8	121.93	59.15
(f) Other non-financial assets	9	111.52	84.47
Total Assets		**1,24,138.40**	**94,036.05**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	10	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		117.77	76.09
(b) Debt Securities	11	19,507.59	17,760.55
(c) Borrowings (Other than Debt Securities)	12	76,961.46	52,881.55
(d) Subordinated Liabilities	13	2,500.00	1,500.00
(e) Other financial liabilities	14	3,297.49	2,449.71
(2) Non-Financial Liabilities			
(a) Provisions	15	115.74	89.55
(b) Current Tax Liaiblities (Net)	6	274.23	486.78
(c) Other non-financial liabilities	16	95.51	115.88
EQUITY			
(1) Equity share capital	17	849.16	848.84
(2) Other equity	18	20,419.44	17,827.11
Total Liabilities and Equity		**1,24,138.40**	**94,036.05**
See accompanying notes to the financial statements	**1 to 43**		

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]
UDIN: 22188150AMQCFL6299

Place: Ahmedabad
Date: 30.05.2022

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, 2022 (₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
(1) Revenue from operations			
Interest Income based on Effective Interest Method	19	22,056.71	18,564.13
Gain on Assignment of Financial Assets	20	579.07	-
Fees and Commission Income	21	598.99	506.40
Income from Investment in Mutual Fund (At Fair value through Profit & Loss)	22	166.50	365.74
Total revenue from operations (1)		**23,401.27**	**19,436.27**
(2) Other income	23	99.28	67.62
(3) Total income (1+2)		**23,500.56**	**19,503.90**
(4) Expenses			
Finance Costs	24	8,945.03	7,922.51
Impairment of Financial Assets	25	3,733.18	5,459.22
Employee Benefits Expenses	26	4,185.26	3,556.60
Depreciation, amortization and impairment	27	95.27	80.98
Others expenses	28	1,989.99	1,308.24
Total Expenses (4)		**18,948.73**	**18,327.55**
(5) Profit / (loss) before tax (3-4)		**4,551.82**	**1,176.35**
(6) Tax expense:			
(1) Current tax	29	1,495.10	1,089.70
(2) Short / (excess) provision of income tax/deffered tax of earlier years	29	0.28	6.36
(3) Deferred tax	29	(115.84)	(981.31)
(7) Profit/(loss) for the period (5-6)		**3,172.28**	**1,061.60**
(8) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		2.28	21.62
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.57)	(5.44)
Sub total (A)		**1.71**	**16.18**
(B) (i) Items that will be reclassified to profit or loss			
- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(790.66)	468.05
(ii) Income tax relating to items that will be reclassified to profit or loss		198.99	(117.80)
Sub total (B)		**(591.67)**	**350.25**
Other comprehensive income (A + B)		**(589.96)**	**366.42**
(9) Total comprehensive income for the period (7+8) (Comprising Profit (Loss) and other comprehensive income for the period)		**2,582.32**	**1,428.03**
Earnings per equity share			
Basic (₹)	30	37.36	12.53
Diluted (₹)	30	37.35	12.53
See accompanying notes to the financial statements	**1 to 43**		

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]
UDIN: 22188150AMQCFL6299

Place: Ahmedabad
Date: 30.05.2022

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, 2022

(₹ in Lakhs)

(A) Equity share capital (Refer Note 17)

FY - 2021-22

Particulars	Balance as at March 31, 2021	Changes in Equity share capital due to prior period errors	Restated Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Ordinary Equity share capital	848.84	-	848.84	0.32	849.16

FY - 2020-21

Particulars	Balance as at March 31, 2020	Changes in Equity share capital due to prior period errors	Restated Balance as at March 31, 2020	Changes during the year	Balance as at March 31, 2021
Ordinary Equity share capital	845.09	-	845.09	3.75	848.84

(B) Other equity (Refer note 18)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Share Based Payment Reserve		
FY 2021-22								
Balance as at March 31, 2021	**-**	**140.35**	**2,482.30**	**6,885.97**	**7,944.37**	**14.06**	**360.05**	**17,827.11**
Profit for the year	-	-	-	-	3,172.79	-	-	3,172.79
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(589.97)	(589.97)
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**3,172.79**	**-**	**(589.97)**	**2,582.83**
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	694.00	-	(694.00)	-	-	-
Additions during the year in securities premium	-	-	-	11.98	-	(10.70)	-	1.28
Transfer during the year in General Reserve	-	11.00	-	-	(11.00)	-	-	-
Share based payment to employees (ESOP) (Refer note 17)	-	-	-	-	-	8.23	-	8.23
Balance as at March 31, 2022	**-**	**151.35**	**3,176.30**	**6,897.95**	**10,411.66**	**11.59**	**(229.92)**	**20,419.44**
FY 2020-21								
Balance as at March 31, 2020	**-**	**129.35**	**2,224.30**	**6,812.96**	**7,151.77**	**65.44**	**(6.37)**	**16,377.45**
Profit for the year	-	-	-	-	1,061.60	-	-	1,061.60
Other comprehensive income (net of taxes)	-	-	-	-	-	-	366.42	366.42
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**1,061.60**	**-**	**366.42**	**1,428.03**
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	258.00	-	(258.00)	-	-	-
Additions during the year in securities premium	-	-	-	73.01	-	(58.02)	-	14.99
Share Issue Expense securities premium	-	-	-	-	-	-	-	-
Transfer during the year in General Reserve	-	11.00	-	-	(11.00)	-	-	-
Share based payment to employees (ESOP) (Refer note 17)	-	-	-	-	-	6.65	-	6.65
Balance as at March 31, 2021	**-**	**140.35**	**2,482.30**	**6,885.97**	**7,944.37**	**14.07**	**360.05**	**17,827.12**

Consolidated Statement Cash Flow

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A Cash from Operating Activities:				
Net profit before taxation		4,551.82		1,176.35
Adjustment For:				
Depreciation and amortisation	67.38		66.19	
Interest Income	(22,056.71)		(18,564.13)	
Net gain on equity instruments measured through profit and loss	(17.69)		(23.63)	
Finance cost Expense	8,924.95		7,666.68	
Provision for impairment on financial assets	1,268.63		3,812.18	
Depreciation on Right of Use Assets	27.90		14.79	
(Profit) / loss on sale of property, plant and equipment	0.57		-	
Gain On Assignment of Assets (Net of Expense)	(579.07)		-	
Loss / (Profit) on sale of Current Investment	(146.72)		(164.29)	
Remeaurement of define benefit plan	2.28		21.62	
Employee Stock Option Plan Expense	8.23		6.65	
Interest on shortfall of advance Tax	36.12		78.00	
Financial Gaurantee Income	-		-	
		(12,464.13)		(7,085.95)
Operating profit before working Capital changes :		**(7,912.30)**		**(5,909.60)**
Adjustment For Increase / (Decrease) in Operating Assets:				
Loans and Advances	(33,578.69)		223.49	
Financial Assets	(593.53)		348.39	
Non Financial Assets	(27.05)		10.39	
Bank balance other than Cash and Cash equivalents	1,398.66		(4,190.90)	
Adjustment For Increase/(Decrease) in Operating Liabilities:				
Trade Payables	41.68		(1.91)	
Other Non Financial liability	(20.37)		(10.80)	
Other Financial Liabilities	390.03		158.23	
Provision	26.20	**(32,363.07)**	9.57	**(3,453.55)**
Cash Generated From Operations		**(40,275.38)**		**(9,363.14)**
Interest Income Received	22,355.79		18,163.23	
Finance Cost Paid	(8,395.72)		(7,571.96)	
Income tax paid	(1,754.95)	**12,205.12**	(636.98)	**9,954.29**
Net Cash From Operating Activities		**(28,070.26)**		**591.15**
B Cash Flow From Investing Activities:				
Purchase of Property, Plant & Equipment	(87.39)		(44.12)	
Sale of Property, Plant & Equipment	0.18		-	
Purchase of investments	(50,845.53)		(32,975.00)	
Sale of investments	50,735.92		33,171.09	
Net Cash from Investment Activities:		**(196.82)**		**151.98**
C Cash Flow From Financing Activities :				
Proceeds from issue of share capital (including Premium)	1.60		18.75	
Dividend paid	-		(2.63)	
Share Issue Expense	-		-	
Proceeds from long term borrowings	72,235.36		36,877.46	
Repayment of borrowings	(40,978.32)		(38,335.06)	
Net increase / (decrease) in working capital borrowings	(4,209.51)		3,672.79	
Repayment of Principal Component of Lease Liability	(21.06)		(11.60)	
Net Cash from Financing Activities:		**27,028.07**		**2,219.70**
Net Increase/(Decrease) in Cash & Cash Equivalents		**(1,239.01)**		**2,962.82**
Cash & cash equivalents at the beginning of the year		8,791.77		5,828.95
Cash & cash equivalents at the end of the year		7,552.76		8,791.77

As per our report of even date attached herewith

Notes :

1. Cash and bank balance at the end of the year comprises:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	90.82	122.85
Balance with Bank	7,461.95	8,668.93
Total	**7,552.76**	**8,791.77**
Bank deposit with original maturity of 3 months or less	-	-
Cash & cash equivalents as per Balance Sheet	**7,552.76**	**8,791.77**

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

3 . Change in liabilities arising from financing activities:

Particulars	March 31, 2021	Cash Flows	Non Cash Changes	March 31, 2022
Debt Securities	17,760.55	1,531.54	215.50	19,507.59
Borrowing other than debt Securities	52,881.55	27,047.53	(2,967.63)	76,961.46
Total	**70,642.11**	**28,579.07**	**(2,752.12)**	**96,469.05**

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]
UDIN: 22188150AMQCFL6299

Place: Ahmedabad
Date: 30.05.2022

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)

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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

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, 2021. 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.

v) 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, 2022	March 31, 2021
Namra Finance Limited	Subsidiary Company	India	Arman Financial Services Liimted	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") and

ii) Defined benefit plans - plan assets

iii) Investment in units of mutual funds at fair value through Profit & Loss ('FVTPL')

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

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The 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 3.16.

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 41.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

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

B. Interest income

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

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial 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 No 3.7), 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").

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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, 2021 and March 31, 2020.

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 (three 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.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated March 23, 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company.

The company will be apply the amendments from April 1, 2022 being the effective date of the amendments:

- **Ind AS 101 – First-time adoption of Indian Accounting Standards:**

  The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from April 1, 2022. As the company has already adopted Ind AS. there is no impact of this amendment on the company.

- **Ind AS 103 – Business Combinations:**

  The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after April 1, 2022.

- **Ind AS 109 – Financial Instruments:**

  The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after April 1, 2022. The amendment has no impact on the financial statements of the company.

- **Ind AS 16 – Property, Plant and Equipment:**

  The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

- **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:**

  The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on April 1, 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

- **Ind AS 41 – Agriculture:**

  The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after April 1, 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

1. **Cash and Bank Balance**	**As at March 31, 2022**	**As at March 31, 2021**
Cash on hand	90.82	122.85
Balance with banks	7,461.95	8,668.93
Total	**7,552.76**	**8,791.77**

(₹ in Lakhs)

2. **Other Bank Balance**	**As at March 31, 2022**	**As at March 31, 2021**
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	6,835.58	8,238.34
Earmarked balances with banks	15.27	17.88
Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(169.59)	(210.57)
Total	**6,681.27**	**8,045.65**

2.1 Deposits includes deposits given as cash collateral security against bank loans.

2.2 Earmarked balance with banks represents ₹15.27 Lakhs (As at March 31, 2021 ₹17.88 Lakhs) in Unpaid Dividend Account.

(₹ in Lakhs)

3. **Loans**	**As at March 31, 2022**	**As at March 31, 2021**
At Amortised Cost:		
Inter Corporate Deposit	-	-
At FVOCI:		
Secured by Tangible Asset	4,636.32	4,662.29
Unsecured Loans	1,08,414.39	75,666.08
Less: Impairment Loss Allownaces	(6,531.69)	(5,154.67)
Total Loans	**1,06,519.02**	**75,173.70**
Less: Interest Due but not Received on Loans and Advances (Note No.5)	(758.35)	(911.01)
	1,05,760.67	**74,262.69**
(1) Loans In India		
Public Sector	-	-
Others	1,05,760.67	74,262.69
	1,05,760.67	**74,262.69**
(2) Loans Outside India	-	-
Total	**1,05,760.67**	**74,262.69**

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances: (₹in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2020	**77,829.31**	**1,068.73**	**902.23**	**79,800.27**
New Assets originated*	47,012.56	26.39	7.05	47,046.00
Net transfer between stages	-	-	-	
Transfer from stage 1	(7,980.17)	3,389.73	4,590.45	-
Transfer from stage 2	43.73	(486.05)	442.33	-
Transfer from stage 3	3.74	4.47	(8.21)	-
Assets derecognised or collected	44,587.86	585.09	461.62	45,634.58
Write - offs	-	-	1,734.99	1,734.99
Gross carrying amount as at March 31, 2021	**72,321.29**	**3,418.17**	**3,737.24**	**79,476.70**
New Assets originated*	90,604.28	320.77	213.35	91,138.40
Net transfer between stages				
Transfer from stage 1	(6,101.54)	3,537.42	2,564.11	(0.01)
Transfer from stage 2	234.87	(1,713.94)	1,479.07	-
Transfer from stage 3	12.76	70.71	(83.47)	-
Assets derecognised or collected	53,974.78	541.91	807.28	55,323.98
Write - offs	519.00	367.88	2,111.86	2,998.75
Gross carrying amount as at March 31, 2022	**1,02,577.87**	**4,723.34**	**4,991.15**	**1,12,292.36**

***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: (₹in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2020	**819.28**	**359.44**	**731.90**	**1,910.62**
Addition During the Year	426.47	992.34	3,920.46	5,339.27
Reversal During the Year	(342.78)	(268.01)	(1,484.42)	(2,095.22)
ECL Allowances as at March 31, 2021	**902.97**	**1,083.77**	**3,167.93**	**5,154.67**
Addition During the Year	813.26	1,498.30	3,795.29	6,106.85
Reversal During the Year	(809.84)	(1,126.62)	(2,793.37)	(4,729.83)
ECL Allowances as at March 31, 2022	**906.39**	**1,455.45**	**4,169.85**	**6,531.69**

Note: Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off (Net) ₹2,464.55 Lakhs. The Total ECL provision as at March 31,2022 of ₹6,531.69 Lakhs out of which ₹2,033.96 Lakhs is retained by the company towards management overlay on account of COVID-19. The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. 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, 2022

(₹in Lakhs)

			As at March 31, 2022	As at March 31, 2021
4.	**Investments (At Cost)**			
	A	**At Fair Value Through Profit & Loss (FVTPL)**		
		In Mutual Funds		
		9,27,603.39 Units (As at March 31, 2021 - 9,27,603.39 Unit) of SBI Credit Risk Fund -Regular -Growth	335.42	317.73
	B	**At Amortised Cost**		
		In Pass through certificates under securitization transactions		
		1,87,87,291 Units (As at March 31, 2021 - Nil Unit) of HLF Sydney PTC , Face Value of ₹1/- each.	158.33	-
		1,13,53,428 Units (As at March 31, 2021 - Nil Unit) Nabsam Albany PTC, Face Value of ₹1/- each.	97.99	-
			591.74	**317.73**
		(1) Investment In India	591.74	317.73
		(2) Investment outside India	-	-
		Total	**591.74**	**317.73**

Note:

Investments represents investments given as cash collateral security against working capital and term loans.

(₹in Lakhs)

		As at March 31, 2022	As at March 31, 2021
5.	**Other Financial Assets**		
	Interest Due but not Received on Loans and Advances (Note No.3)	758.35	911.01
	Interest Accrued but not due on Bank Deposits (Note No.2)	169.59	210.57
	Deposits	413.19	233.72
	Other Advances	450.49	36.43
	Fair valuation of Derivative Instrument measured Through Profit & Loss Account	8.12	6.02
	Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(500.06)	(608.45)
	Total	**1,299.67**	**789.30**

5.1 Deposits includes deposits ₹384.49 Lakhs (P.Y. ₹207.86 Lakhs), given as collateral security against loans from financial Institutes.

5.2 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below: (₹in Lakhs)

Pariculars	As at March 31, 2022	As at March 31, 2021
ECL Allowances As at beginning of the year	**608.45**	**40.32**
Addition During the Year	260.53	607.28
Reversal During the Year	(368.92)	(39.14)
ECL Allowances As at end of the year	**500.06**	**608.45**

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

6.	Current Tax (Net)	As at March 31, 2022	As at March 31, 2021
	Advance Tax and TDS	2,802.45	3,299.48
	Less: Provision for Tax	(3,076.68)	(3,786.26)
	Total	**(274.23)**	**(486.78)**

(₹ in Lakhs)

7.	Deferred Tax	As at March 31, 2022	As at March 31, 2021
A.	**Defferred Tax Assets on Account of:**		
	Provision for employee benefits that are allowable for tax purpose in the year of payment	29.13	22.54
	Financial assets measured at amortised cost	279.34	135.55
	Shares issue expenses that are allowable for tax purpose on deferred basis	1.16	1.73
	Provision for CSR	13.06	-
	Impairment on Financial Assets	1,698.67	1,450.46
	Total Deferred Tax Assets	**2,021.36**	**1,610.28**
B.	**Defferred Tax Liability on Account of:**		
	Difference in written down value as per Companies Act and Income Tax Act	(12.30)	(11.53)
	Financial liabilities measured at amortised cost	(174.42)	(118.90)
	Fair valuation of Derivative Contract measured Through Profit & Loss Account	(2.04)	(1.52)
	Interest Receivable on NPA Assets	(125.85)	-
	Fair valuation of financial instruments through Other Comprehensive Income	76.96	(122.04)
	Fair valuation of Investment in Mutual Fund	(24.00)	(19.55)
	Direct Assignment Income Receivable -DA	(108.69)	-
	Total Deferred Tax Liabilities	**(370.34)**	**(273.53)**
	Total Asset/(Liability) (Net)	**1,651.02**	**1,336.75**

7.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(₹ in Lakhs)

Particulars	March 31, 2021	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	22.54	-	7.17	(0.57)	29.13
Financial assets measured at amortised cost	135.55	-	143.78	-	279.33
Shares issue expenses that are allowable for tax purpose on deferred basis	1.73	-	(0.58)	-	1.16
Impairment on Financial Assets	1,450.46	-	248.22	-	1,698.68
Provision for CSR	-	-	13.06	-	13.06
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(11.53)	-	(0.77)	-	(12.30)
Financial liabilities measured at amortised cost	(118.90)	-	(55.52)	-	(174.42)
Interest Receivable on NPA Assets	-	-	(125.86)	-	(125.86)
Fair valuation of financial instruments through Other Comprehensive Income	(122.04)	-	155.35	43.65	76.96
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(1.52)	-	(0.53)	-	(2.04)
Fair valuation of Investment in Mutual Fund	(19.55)	-	(4.45)	-	(24.00)
Direct Assignment Income Receivable -DA	-	-	(108.68)	-	(108.68)
Total Asset/(Liability) (Net)	**1,336.75**	**-**	**271.20**	**43.07**	**1,651.02**

(₹ in Lakhs)

Particulars	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, 2021
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	20.13	-	7.85	(5.44)	22.54
Financial assets measured at amortised cost	144.52	-	(8.97)	-	135.55
Shares issue expenses that are allowable for tax purpose on deferred basis	2.69	-	(0.96)	-	1.73
Fair valuation of Derivative Contract measured Through Profit & Loss Account	43.24	-	(44.75)	-	(1.52)
Impairment on Financial Assets	**491.01**	**-**	**959.45**	**-**	**1,450.46**
Difference in written down value as per Companies Act and Income Tax Act	(13.90)	-	2.37	-	(11.53)
Financial liabilities measured at amortised cost	(156.73)	-	37.83	-	(118.90)
Income Taxable on Realised Basis	(33.99)	-	33.99	-	-
Fair valuation of Investment in Mutual Fund	(14.05)	-	(5.49)	-	(19.55)
Fair valuation of financial instruments through Other Comprehensive Income	(4.24)	-	-	(117.80)	(122.04)
Total Asset/(Liability) (Net)	**478.68**	**-**	**981.30**	**(123.24)**	**1,336.75**

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Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

8. Property, Plant & Equipment

(₹ in Lakhs)

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, 2020	**136.39**	**140.24**	**50.29**	**135.08**	**119.90**	**581.91**	**44.72**	**-**	**626.63**	**88.72**
Addition	-	14.06	2.62	15.34	-	32.02	12.10	-	44.12	-
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At March 31, 2021	**136.39**	**154.30**	**52.92**	**150.42**	**119.90**	**613.93**	**56.82**	**-**	**670.75**	**88.72**
Addition	-	19.90	6.09	27.76	9.93	63.67	21.10	2.62	87.39	90.68
Disposal	-	-	-	-	1.40	1.40	-	-	1.40	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	**136.39**	**174.19**	**59.01**	**178.18**	**128.43**	**676.21**	**77.92**	**-**	**754.12**	**179.40**

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, 2020	**18.70**	**55.08**	**23.37**	**70.02**	**61.82**	**228.98**	**27.03**	**-**	**256.01**	**14.79**
Change for the year	2.15	12.09	7.82	24.67	12.19	58.93	7.26	-	66.19	14.79
Disposal	-	-	-	-	-	-	-	-	-	-
At March 31, 2021	**20.85**	**67.17**	**31.19**	**94.69**	**74.01**	**287.91**	**34.28**	**-**	**322.20**	**29.57**
Change for the year	2.15	12.45	9.23	24.15	11.10	59.08	8.30	-	67.38	27.90
Disposal	-	-	-	-	0.65	0.65	-	-	0.65	-
At March 31, 2022	**23.01**	**79.62**	**40.42**	**118.84**	**84.46**	**346.35**	**42.58**	**-**	**388.93**	**57.47**
Net Carrying Value										
At March 31, 2021	**115.54**	**87.13**	**21.72**	**55.73**	**45.90**	**326.02**	**22.54**	**-**	**348.55**	**59.15**
At March 31, 2022	**113.39**	**94.57**	**18.59**	**59.34**	**43.97**	**329.86**	**35.34**	**2.62**	**365.20**	**121.93**

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

9. Other Non - Financial Assets	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	9.36	12.19
Balance with Government Authorities	22.18	-
Advances to staff	19.16	12.94
Advance to Suppliers	60.82	59.34
Total	**111.52**	**84.47**

(₹ in Lakhs)

10. Other Payables	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of other than micro enterprises and small enterprises	117.77	76.09
Total	**117.77**	**76.09**

(₹ in Lakhs)

11. Debt Securities (At Amortised Cost)	As at March 31, 2022	As at March 31, 2021
Secured Debenture (Refer note 11.1)		
12.60% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (C.Y. 275 Units, P.Y. 275 Units)	-	2,750.00
13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each (C.Y. 378 Units, P.Y. 378 Units)	3,780.00	3,780.00
13.10% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (C.Y. Nil, P.Y. 415 Units)	-	4,150.00
12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000/- each (C.Y. 48,750 Units ,P.Y. 48,750 Units)	4,875.00	4,875.00
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh each (C.Y. 2,350 Units,P.Y. 2,350 Units)	2,350.00	2,350.00
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each (C.Y. 300 Units, P.Y. Nil Units)	3,000.00	-
11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000/- each (C.Y. 2,22,654 Units, P.Y. Nil Units)	2,226.54	-
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000/- each (C.Y. 34,550 Units, P.Y. Nil Units)	3,455.00	-
Less: Unamortised borrowing costs	(178.95)	(144.45)
Total Debt Securities	**19,507.59**	**17,760.55**
Debt Securities in India	5,312.21	2,341.93
Debt Securities Outside India	14,195.38	15,418.62
Total	**19,507.59**	**17,760.55**

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

11.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:

(₹in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021	Terms of Redemption / Repayment	Security
275, 12.60% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each	-	2,750.00	Bullet Payment at the end of the tenor of 42 Months from 19-09-2018	Secured Under Hypothecation of Specific Assets Portfolio
378, 13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each	3,780.00	3,780.00	Bullet Payment at the end of the tenor of 60 Months From 03-03-2020	Secured Under Hypothecation of Specific Assets Portfolio
415, 13.10% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each	-	4,150.00	Bullet Payment at the end of 24 Months From 21 May 2019	Secured Under Hypothecation of Specific Assets Portfolio
48,750, 12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 each	4,875.00	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 Assets Portfolio
2,350, Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh each	2,350.00	2,350.00	Bullet Payment at the end of 18 Months From 27 September 2022	Secured Under Hypothecation of Specific Assets Portfolio
300, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each	3,000.00	-	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
2,22,654, 11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000 each	2,226.54	-	Bullet Payment at the end of 24 Months From 11 March 2022	Secured Under Hypothecation of Specific Assets 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 Assets Portfolio
Total Debt Securities	**19,686.54**	**17,905.00**		

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

12. Borrowings (at Amortized Cost)	As at March 31, 2022	As at March 31, 2021
Term Loans		
Secured		
From Banks	38,891.84	22,717.33
From Financial Institutions	37,027.98	24,598.98
Less: Unamortised borrowing costs	(514.07)	(327.98)
	75,405.75	**46,988.32**
Loans repayable on demand from banks	1,555.71	5,893.23
Loans from Related Parties		
From Directors and their relatives	-	-
Inter Corporate Deposits - Unsecured	-	-
Total Borrowings	76,961.46	52,881.55
Borrowings in India	72,848.05	48,914.13
Borrowings Outside India	4,113.41	4,095.44
Total	**76,961.46**	**52,881.55**

12.1 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".

12.2 Interest:

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 6.43% to 15.00% p.a.

12.3 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings: (₹in Lakhs)

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Borrowings (Other than Debt Securities)				
Term Loan From Banks - 1	4,130.00	4,130.00	Bullet Payment at the end of the tenor	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 2	466.71	2,708.10	Repayable in 27 Months 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 - 3	1,420.00	2,500.00	"Repayable in 21 Monthly installments Starting From 30th June 2021"	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 4	736.12	2,493.43	Repayable in 18 Monthly installments Starting From 17th April 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 5	989.72	2,159.03	Repayable in 18 Monthly installments Starting From 9th May 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 6	625.00	1,250.00	Repayable in 36 Months quarterly installments starting From 16 April 2018	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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Banks - 7	726.55	1,243.02	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 - 8	727.28	1,000.00	Repayable in 11 Quarterly installments Starting From 30th September 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 9	183.81	831.24	Repayable in 24 Months 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 - 10	306.61	649.83	Repayable in 36 Months Monthly installments starting From 02 February 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 11	-	500.00	Repayable in 36 Months quarterly installments starting From 30 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 12	194.42	361.10	Repayable in 36 Months 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 - 13	-	272.73	Repayable in 24 Months Monthly installments starting From 30 December 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 14	3.59	264.81	Repayable in 24 Months Monthly installments starting From 30 April 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 15	-	241.36	Repayable in 36 Months Monthly installments starting From 30 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 16	-	187.50	Repayable in 24 Months Monthly installments starting From 29 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 17	-	178.00	Repayable in 24 Months Monthly installments starting From 30 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 18	-	43.04	Repayable in 36 Months Monthly installments starting From 06 August 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 19	2.70	9.68	Repayable in 36 Months Monthly installments starting From 15 April 2019	Secured Against the CAR
Term Loan From Banks - 20	929.59	-	Repayable in 18 Monthly installments Starting From 10th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 21	1,107.40	-	Repayable in 18 Monthly installments Starting From 15th Augustl 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Banks - 22	1,818.19	-	Repayable in 33 Months Monthly installments starting From 30th January 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 23	878.49	-	Repayable in 33 Months Monthly installments starting From 30th December 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 24	877.94	-	Repayable in 33 Months Monthly installments starting From 30th December 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 25	2,271.84	-	Repayable in 33 Months Monthly installments starting From 28th January 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 26	2,083.33	-	Repayable in 36 Months Monthly installments starting From 25th October 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 27	1,937.50	-	Repayable in 32 Months Monthly installments starting From 1st April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 28	1,636.36	-	Repayable in 22 Months Monthly installments starting From 10th December 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 29	500.00	-	Repayable in 22 Months Monthly installments starting From 10th June 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	5,500.00	-	Repayable in 22 Months Monthly installments starting From 5th February 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 31	2,807.73	-	Repayable in 12 Months Monthly installments starting From 25th April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 32	3,048.65	-	Repayable in 19 Months Monthly installments starting From 20th April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank- 33	-	222.22	Repayable in 36 monthly installments Stating From from 15 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank- 34	138.89	472.22	"Repayable in 36 monthly installments Stating From from 18 September 2019"	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 35	85.71	200.00	"Repayable in 21 monthly installments Stating From from 30 April 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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Bank - 36	457.14	800.00	"Repayable in 21 monthly installments Stating From from 31 July 2021"	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 37	500.00	-	"Repayable in 21 monthly installments Stating From from 30 June 2022"	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank - 38	1,800.55	-	"Repayable in 33 monthly installments Stating From from 25 June 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.
Total Term Loans From Banks	**38,891.82**	**22,717.33**		
Term Loan From Financial Institution - 1	1,500.00	5,000.00	Repayable in 2 installments of 35 Crore and 15 Crore on 31st December 2021 and 31st July 2022 respectively	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	1,458.25	2,291.65	Repayable in 36 Monthly installments Stating From 31 January 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	750.00	2,250.00	Repayable in 4 Half Yearly installments Stating From 31 October 2020	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	300.00	1,500.00	Repayable in 24 Months Monthly installments Stating From 10 June 2020	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	280.00	875.00	Repayable in 60 Months Half Yearly installments Stating 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 - 6	185.37	693.40	Repayable in 36 Months Monthly installments Stating From 22 August 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 - 7	-	647.31	Repayable in 36 Months Monthly installments Stating From 27 December 2018	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	-	500.06	Repayable in 36 Months Monthly installments Stating From 29 June 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 - 9	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 10	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 11	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 12	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 July 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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 13	-	388.00	Repayable in 9 Monthly installments Stating From 10 August 2020	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	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 15	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 16	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 17	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 18	46.45	308.09	Repayable in 24 Monthly installments Stating From 15 June 2020	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	46.45	308.09	Repayable in 24 Monthly installments Stating From 15 June 2020	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	-	250.13	Repayable in 36 Months Monthly installments Stating From 27 September 2018	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	-	176.87	Repayable in 36 Months Monthly installments Stating From 27 March 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 - 22	-	161.26	Repayable in 36 Months Monthly installments Stating From 27 February 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 - 23	-	157.01	Repayable in 36 Months Monthly installments Stating From 29 April 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 - 24	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 25	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 26	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 27	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 28	-	146.44	Repayable in 36 Months Monthly installments Stating From 28 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 - 29	41.67	125.00	Repayable in 36 Months Monthly installments Stating From 25 October 2019	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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 30	41.67	125.00	Repayable in 36 Months Monthly installments Stating From 25 October 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 - 31	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 32	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 33	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 34	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 35	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 36	-	115.72	Repayable in 36 Months Monthly installments Stating From 29 April 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 - 37	44.34	114.53	Repayable in 36 Months Monthly installments Stating From 15 September 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 - 38	-	113.91	Repayable in 24 Months Monthly installments Stating From 03 November 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 - 39	33.33	100.00	Repayable in 36 Months Monthly installments Stating From 25 October 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 - 40	-	98.86	Repayable in 36 Months Monthly installments Stating From 29 October 2018	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	-	88.89	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	13.04	87.16	Repayable in 36 months Monthly installments Stating From 15 April 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 - 43	-	83.33	Repayable in 36 Months Monthly installments Stating From 25 April 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 - 44	-	83.33	Repayable in 36 Months Monthly installments Stating From 25 April 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 - 45	-	83.33	Repayable in 36 Months Monthly installments Stating From 25 April 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 - 46	-	78.69	Repayable in 36 Months Monthly installments Stating From 27 December 2018	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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 47	-	69.50	Repayable in 36 Months Monthly installments Stating From 27 November 2018	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	-	52.49	Repayable in 36 Months Monthly installments Stating From 27 December 2018	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	-	48.61	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 50	-	48.61	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 51	-	35.06	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	-	33.33	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	-	33.33	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	-	33.33	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	864.76	-	Repayable in 20 Months Monthly installments Stating 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 - 56	1,500.00	-	Repayable in 2 bullet payment over 18 Months 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 - 57	1,400.00	-	Repayable in 10 Months Monthly installments Stating From 10th January 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	3,000.00	-	Repayable in 30 Months Monthly installments Stating 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 - 59	1,375.00	-	Repayable in 36 Months Monthly installments Stating 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 - 60	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 61	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 62	291.67	-	Repayable in 36 Months Monthly installments Stating 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 Consolidated Financial Statements

for the year ended March 31, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 63	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 64	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 65	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 66	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 67	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 68	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 69	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 70	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 71	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 72	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 73	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 74	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 75	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 76	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 77	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 78	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 79	150.00	-	Repayable in 24 Months Monthly installments Stating 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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 80	1,988.32	-	Repayable in 30 Months Monthly installments Stating 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 - 81	2,063.88	-	Repayable in 30 Months Monthly installments Stating 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 - 82	500.00	-	Repayable in 24 Months Monthly installments Stating 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 - 83	500.00	-	Repayable in 24 Months Monthly installments Stating 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 - 84	766.30	-	Repayable in 24 Months Monthly installments Stating 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 - 85	2,986.52	-	Repayable in 15 months Months Monthly installments Stating 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 - 86	1,782.08	-	Repayable in 17 Months Monthly installments Stating 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 87	-	333.33	"Repayable in 12 Quarterly installments Stating From from 31 May 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 89	-	166.90	"Repayable in 36 monthly installments Stating From from 03 September 2018"	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	795.31	199.48	"Repayable in 30 monthly installments Stating From from 02 October 2018"	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	855.83	-	"Repayable in 30 monthly installments Stating From from 02 October 2018"	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	-	76.37	"Repayable in 24 monthly installments Stating From from 01 May 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 93	13.07	87.33	"Repayable in 36 monthly installments Stating From from 15 April 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 94	424.66	936.95	"Repayable in 36 monthly installments Stating From from 31 January 2020"	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	-	403.00	"Repayable in 36 monthly installments Stating From from 31 January 2020"	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	41.67	125.00	"Repayable in 36 monthly installments Stating From from 25 October 2019"	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, 2022

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 97	41.67	125.00	"Repayable in 36 monthly installments Stating From from 25 October 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 98	41.67	125.00	"Repayable in 36 monthly installments Stating From from 25 October 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 99	41.67	125.00	"Repayable in 36 monthly installments Stating From from 25 October 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 100	350.00	-	"Repayable in 36 monthly installments Stating From from 25 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 101	150.00	-	"Repayable in 36 monthly installments Stating From from 25 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 102	350.00	-	"Repayable in 36 monthly installments Stating From from 25 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 103	150.00	-	"Repayable in 36 monthly installments Stating From from 25 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 104	395.83	-	"Repayable in 24 monthly installments Stating From from 15 November 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 105	395.83	-	"Repayable in 24 monthly installments Stating From from 15 November 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 106	500.00	-	"Repayable in 21 monthly installments Stating From from 15 July 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 107	500.00	-	"Repayable in 21 monthly installments Stating From from 15 July 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 108	375.00	-	"Repayable in 24 monthly installments Stating From from 31 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 109	375.00	-	"Repayable in 24 monthly installments Stating From from 31 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 110	391.30	-	"Repayable in 24 monthly installments Stating From from 30 November 2021"	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	**37,027.98**	**24,598.98**		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	94.32	97.84	-	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	-	207.30	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and lien on investment in Mututal Funds.
Cash Credit Facility From Bank 3	-	1,606.21	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and lien on investment in Mututal Funds.
Cash Credit Facility From Bank 4	-	32.18	Facility has been closed Sep 2021	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 5	178.52	125.15	-	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.
Cash Credit Facility From Bank 6	-	1,885.27	CC facility converted to Term Loan Facility of ₹1800 Lakhs on 31-03-2022	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.
Cash Credit Facility From Bank 7	339.63	464.08	-	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 8	905.95	643.73	-	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.
Cash Credit Facility From Bank 9	37.29	30.88	-	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 1	-	800.58	OD facility Closed	Secured by a first and exclusive charge Bank Deposits
Total Loans repayable on demand from banks	**1,555.71**	**5,893.23**		

12.4 Details of terms of Repayment and security provided in respect of borrowings:

12.5 The Company has borrowed funds from banks and finacial institutions on the basis of security of book debts.It has filed quarterly returns or statements of book debts with banks and finacial institutions and the said returns/statements are in agreement with books of accounts.

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(₹ in Lakhs)

13.	Subordinated Liabilities (At Cost)	As at March 31, 2022	As at March 31, 2021
	Unsecured		
	15%, Unsecured Subordinated Term Loan in India	2,500.00	1,500.00
	Unsecured Subordinated Debt outside India	-	-
	Total	**2,500.00**	**1,500.00**

13.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities: (₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank 1	500.00	500.00	Single Bullet Payment at the end of 84 Months from 23rd June, 2017	Unsecured
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
Subordinated Term Loan From Bank 3	1,000.00	-	50% Payment at the end of 66 Months from 30th Nov,2021 & remaining 50% Payment at the end of 72 Months fro 30th Nov,2021	Unsecured

(₹ in Lakhs)

14.	Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
	Interest accrued but not due on Borrowings	943.65	555.52
	Payable to Employees	444.43	416.35
	Micro Insurance Payable	786.16	746.10
	Security deposits received from Borrowers	192.01	163.00
	Unpaid expenses	139.44	85.14
	Unpaid dividend	15.27	17.88
	Payable towards assignment and transactions	639.71	398.53
	Lease Liability - Right of Use Assets	136.82	67.20
	Total	**3,297.49**	**2,449.71**

14.1 Unpaid dividend outstanding as on March 31, 2022 is not due for transfer to investor education and protection fund by the Company.

14.2 Trade Payable ageing schedule (₹ in Lakhs)

As on March 31, 2022	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	188.06
Outstanding between 1 year to 2 Years	-	-	-	0.40
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

As on March 31, 2021	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	126.01
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.

(₹ in Lakhs)

15.	Provisions	As at March 31, 2022	As at March 31, 2021
	Provisions for employee benefits - Gratuity	115.74	89.55
	Total	**115.74**	**89.55**

(₹ in Lakhs)

16.	Other Non Financial Liabilities	As at March 31, 2022	As at March 31, 2021
	Other statutory dues	34.51	42.28
	TDS payable	61.00	73.59
	Total	**95.51**	**115.88**

(₹ in Lakhs)

17.	Equity Share Capital	As at March 31, 2022	As at March 31, 2021
	Authorized Shares		
	1,50,00,000 Equity Shares of ₹10/- each (As at March 31, 2021: 1,50,00,000 Equity Shares of ₹10/- each)	1,500.00	1,500.00
	Total	**1,500.00**	**1,500.00**
	Issued, subscribed and fully paid-up shares:		
	84,91,584 Equity Shares of (As at March 31, 2021: 84,88,384 Equity Shares) of ₹10/- each fully paid up (Ordinary)	849.16	848.84
	Total	**849.16**	**848.84**

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2022 & March 31, 2021 is set out below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Ordinary Equity Shares:				
Outstanidng at the beinning of the year	84,88,384	848.84	84,50,894	845.09
Issued during the year	3,200	0.32	37,490	3.75
Outstanding at the end of the year	**84,91,584**	**849.16**	**84,88,384**	**848.84**

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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, 2022		March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	4,27,937	5.04%	4,27,937	5.04%
Ritaben Patel	4,36,089	5.14%	4,36,089	5.14%
Mukul Agrawal	4,29,262	5.06%	4,29,262	5.06%
Elevation Capital V Limited	18,90,417	22.26%	18,90,417	22.27%
Namra Holdings & Consultancy Services LLP	9,48,308	11.17%	9,48,308	11.17%

17.3 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 38.

17.4 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, 2022	As at March 31, 2021
A. Reserves and Surplus		
i. General Reserve		
Balance as per last financial statement	140.35	129.35
Add: Transfer from statement of profit and loss	11.00	11.00
Closing Balance	**151.35**	**140.35**
ii. Special Reserve u/s 45-IC of the RBI Act, 1934		
Balance as per last financial statement	2,482.30	2,224.30
Add: Transfer from statement of profit and loss	694.00	258.00
Closing Balance	**3,176.30**	**2,482.30**
iii. Securities Premium		
Balance as per last financial statement	6,885.97	6,812.96
Add: Share Premium on shares issued duing the year	11.98	73.01
Less: Share Issue Expenses	-	-
	6,897.95	**6,885.97**
iv. Share Based Payment Reserve		
Balance as per last fiancial statements	14.06	65.43
Add/(Less): Stock option expenditure for the year	15.00	9.11
Less: amount transferred towards option expired unexercised	6.77	2.46
Less: Reversal of ESOP reserve on exercised option of stock option	10.70	58.02
Closing Balance	**11.59**	**14.06**
v. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	7,944.37	7,151.77
Add : Profit for the year	3,172.79	1,061.60
Less: Appropriations		
Amount transferred to General Reserve	(11.00)	(11.00)
Amount transferred to Special Reserve u/s 45-IC of RBI Act, 1934	(694.00)	(258.00)
Closing Balance	**10,411.66**	**7,944.37**

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

B. Other Comprehensive Income		
Balance as per last financial statement	360.05	(6.38)
Additions during the year	(589.97)	366.42
Closing Balance	**(229.92)**	**360.05**
Total	**20,419.44**	**17,827.11**

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 reserve 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 reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary ompanies under Company's employee stock option plan.

19. Interest Income (Amortised Cost) (₹in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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	21,560.69	-	18,147.13	-
Interets on Deposits as Security	-	496.02	-	406.12
Interets on Others	-	-	-	10.88
Total	**21,560.69**	**496.02**	**18,147.13**	**417.00**
Total Interest	**22056.71**		**18564.13**	

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

20. Gain on Assignment of Financial Assets (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gain on Assignment of Assets (Net of Expense)	579.07	-
Total	**579.07**	**-**

21. Fees and Commission Income (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loan Processing fees Income	598.99	506.40
Total	**598.99**	**506.40**

22. Net Gain on Fair Value Changes (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Investment in Mutual Fund- Fair value through Profit & Loss	17.69	23.63
Net Gain/(Loss) on fair value of derivative contracts measured at fair value through profit or loss	2.09	177.82
Profit on Sale of Investment	146.72	164.29
Total	**166.50**	**365.74**

23. Other Income (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Loan	84.78	65.57
Others	14.50	2.05
Total	**99.28**	**67.62**

24. Finance Costs (on financial liabilities measured at amortized cost) (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Borrowings	5,952.69	5,418.81
Interest on Debt Securities	2,061.73	1,594.87
Interest on Subordinated Liabilities	273.54	225.37
Other interest expense	150.67	142.31
Other Borrowing Costs	494.52	535.26
Interest Expenes on Lease Liability	11.88	5.89
Total	**8,945.03**	**7,922.51**

25. Impairment of Loan Assets (on financial assets measured at FVOCI) (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bad debts written off (Net)	2,464.55	1,647.04
Expected Credit Loss (Net)	1,268.63	3,812.18
Total	**3,733.18**	**5,459.22**

25.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.2 of Financial Statement.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

26. Employee Benefit Expenses (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	3,774.95	3,238.52
Contribution to provident and other funds	266.80	199.13
Gratuity	34.18	33.97
Staff welfare expenses	109.34	84.98
Total	**4,185.26**	**3,556.60**

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 ₹174.81 Lakhs (March 31, 2021: ₹162.94 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.

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

Notes Forming Part of the Consolidated Financial Statements

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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: (₹in Lakhs)

I	Reconciliation of opening and closing balances of defined benefit obligation	Year ended March 31, 2022	Year ended March 31, 2021
	Opening Defined Benefit Obligation	**90.28**	**84.77**
	Transfer in/(out) obligation	-	-
	Current service cost	29.67	30.03
	Interest cost	5.04	4.96
	Components of actuarial gain/losses on obligations:	-	-
	Due to Change in financial assumptions	(2.22)	1.06
	Due to change in demographic assumption	-	-
	Due to experience adjustments	(3.12)	(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	-	-
	Benefits paid	(2.22)	(1.44)
	Closing Defined Benefit Obligation	**117.43**	**90.28**

(₹in Lakhs)

II	Reconciliation of plan assets	Year ended March 31, 2022	Year ended March 31, 2021
	Opening value of plan assets	0.73	4.78
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.54	1.02
	Return on plan assets excluding amounts included in interest income	(3.06)	(6.43)
	Assets Distributed on settlements	-	-
	Contribution by the company	5.70	2.79
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	(2.22)	(1.44)
	Fair value of plan assets at the end of the year	**1.69**	**0.73**

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(₹in Lakhs)

III	Reconciliation of net defined benefit liability	Year ended March 31, 2022	Year ended March 31, 2021
	Net opening provision in books of accounts	89.55	79.98
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per note 26	34.17	33.97
	Amounts recognized in Other Comprehensive Income	(2.29)	(21.62)
		121.44	**92.34**
	Benefits paid by the Company	(3.70)	(2.03)
	Contributions to plan assets	(2.00)	(0.76)
	Closing provision in books of accounts	**115.74**	**89.55**

IV	Composition of plan assets	Year ended March 31, 2022	Year ended March 31, 2021
	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%**

(₹in Lakhs)

V	Expense recognised during the year	Year ended March 31, 2022	Year ended March 31, 2021
	Current service cost	29.68	30.03
	Interest cost	4.50	3.94
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	**34.17**	**33.97**

(₹in Lakhs)

VI	Other comprehensive income	Year ended March 31, 2022	Year ended March 31, 2021
	Components of acturial gains/losses on obligations:		
	Due to change in financial assumptions	(2.21)	1.06
	Due to change in demographic assumption	-	-
	Due to experience adjustments	(3.12)	(29.10)
	Return of plan assets excluding amounts included in interest income	3.05	6.43
	Components of defined benefits cost recognised in other comprehensive income	**(2.28)**	**(21.62)**

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VII	Principal actuarial assumptions	Year ended March 31, 2022	Year ended March 31, 2021
	Discount rate (per annum)	6.40%	6.00%
	Rate of return on plan assets (per annum)	6.00%	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%	25%
	46 to 55	10%	5%
	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.

(₹in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	120.48	114.55	92.77	87.92
(% change compared to base due to sensitivity	0.03	(0.02)	0.03	(0.03)
Salary growth rate (- / + 0.5%)	114.52	120.47	87.91	92.75
(% change compared to base due to sensitivity	(0.02)	0.03	(0.03)	0.03
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	120.68	114.34	93.25	87.48
(% change compared to base due to sensitivity	0.03	(0.02)	0.03	(0.03)

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 4.91 years.

Particulars	Cash flows (₹ Lakhs)	Distributions (%)
1st Following year	17.52	10.10%
2nd Following year	15.93	9.18%
3rd Following year	17.26	9.95%
4th Following year	15.83	9.12%
5th Following year	14.94	8.61%
Sum of years 6 to 10	48.92	28.19%

The future accrual is not considered in arriving at the above cash-flows

Notes Forming Part of the Consolidated Financial Statements

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XI) The expected contribution for the next year is ₹39.44 Lakhs.

27. Depreciation and Amortisation (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Property, Plant & Equipment	59.08	58.93
Amortization of Right of use Asset	27.90	14.79
Amortisation of Intangible Asset	8.30	7.26
Total	**95.27**	**80.98**

28. Other Expenses (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Electricity & fuel charges	46.12	33.69
Repairs to Building	16.11	25.79
Insurance	31.18	22.48
Collection Expense	34.39	11.59
Rent	300.69	250.51
Rates & taxes	23.66	10.81
Bank Charges	40.19	70.78
Stationery & printing	82.49	51.36
Advertisement expenses	0.69	0.39
Communication	82.45	65.99
Traveling & conveyance expenses	747.53	448.71
Professional fees	267.87	172.64
Auditor's Remuneration		
Audit fees	13.81	8.90
For Tax Audit	0.75	0.75
For certification	1.18	1.54
For Others	5.30	3.52
	21.03	**14.70**
Corporate social responsibility expenditure (Refer Note 32)	64.52	36.12
Director sitting fees	7.80	5.95
Marketing & incentive expenses	91.61	43.53
Loss/(Gain) due To Moratorium Recognised at Effective Interest Rate Method	(39.73)	(66.66)
Net Loss on Derecognition of Property, Plant & Equipment	0.57	-
General charges (including security charges & membership fees etc.)	170.81	109.86
Total	**1,989.99**	**1,308.24**

Notes Forming Part of the Consolidated Financial Statements

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29. Tax Expenses

The Components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	1,495.10	1,089.70
Adjustment in respect of current tax of prior years	0.28	6.36
Deferred tax	(115.84)	(981.31)
Total Tax Expense	**1,379.54**	**114.75**
Total tax charge		
Current Tax	1,495.38	1,096.06
Deferred Tax	(115.84)	(981.31)

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, 2022 and March 31, 2021 is, as follows: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax expense	4,551.82	1,176.35
Income tax rate (%)	25.168%	25.168%
Computed tax expense	**1,145.60**	**296.06**
Tax effect of :		
Exempted Items	226.80	(133.57)
Additional deduction	(100.37)	(66.52)
Non Deductible items	25.11	12.94
Adjustment on Account of Change in Tax Rate	(0.07)	(0.72)
Others	82.47	6.56
Tax expense Recognised in the Statement of Profit and Loss	**1,379.54**	**114.75**

30. Earnings per share (₹in Lakhs)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Numerator used for calculating Basic Earning per share (PAT)	₹ Lakhs	3,172.28	1,061.60
Numerator used for calculating Diluted Earning per share (PAT)	₹ Lakhs	3,172.28	1,061.60
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	84,90,041	84,71,225
Effect of dilution:			
Employee Stock Options	Shares	2,513	4,391
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	**84,92,554**	**84,75,616**
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	37.36	12.53
Diluted earnings per share	In ₹	37.35	12.53

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31 . Contingent liabilities not provided for: (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
(A) Contingent liabilities		
(A) Guarantees given on behalf of subsidiary company :		
a) To banks		
Amount of guarantees	23,850.00	23,250.00
Amount of loans outstanding	12,663.87	13,187.81
(B) Disputed Demand of Tax		
i) Income Tax Act	762.22	792.37

32. Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Group during the year towards CSR is ₹63.01 Lakhs (March 31, 2021: ₹71.91 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

(₹in Lakhs)

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)	12.61	51.91	-	64.52

Reason for shortfall in current year: Due to execution of ongoing project.

Nature of CSR activities: To provide financial support for construction of occupational therapy center and also provide healthcare support to the needy people of the society.

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 (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
i) Expenses related to Short Term Lease	300.68	250.50
ii) Lease Expenses (Interest Expense - Finance Cost)	11.88	5.89
	27.90	14.79
	340.46	**271.18**

ii) Amounts recognised in statement of cash flows (including Interest Component) (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
Total cash outflow for leases	32.94	17.48

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iii) Additions to right-of-use assets (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
Addition to Right of used assets added	90.68	-

iv) Amount Recognized in Profit & loss Account During the year (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	35.84	18.36
After one year but not more than five years	130.36	60.77
More than five years	-	-
Total undiscounted lease liabilities as at March 31, 2021	**166.20**	**79.13**
Balances of Lease Liabilities		
Non-Current	110.99	53.73
Current	25.83	13.47
Total Lease Liability	**136.82**	**67.20**

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. K. D. Shah	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

Notes Forming Part of the Consolidated Financial Statements

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Jayendra Patel (HUF)	Key Managerial personnel is Karta
Raj Enterprise	Key Managerial personnel is proprietor
J. B. Patel & Co.	Key Managerial personnel is co-owner
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

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

Particulars	Year Ended March 31, 2022			
	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
Expenses				
Remuneration & perquisites Paid	117.76	-	-	117.76
Sitting fees	-	7.80	-	7.80
Interest expenses	**4.61**	**74.05**	**35.60**	**114.26**
Rent paid	-	21.13	-	21.13
Dividend paid	-	-	-	-
Unsecured Loan				
Unsecured Loan Taken	**43.80**	**579.83**	**515.00**	**1,138.63**
Unsecured Loan Repaid (Including Interest)	48.81	653.88	550.60	1,253.29

Particulars	Year Ended March 31, 2021			
	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
Expenses				
Remuneration & perquisites Paid	107.14	-	-	107.14
Sitting fees	-	5.95	-	5.95
Interest expenses	7.13	43.65	12.59	63.37
Rent paid	-	20.13	-	20.13
Dividend paid	-	-	-	-
Unsecured Loan				
Unsecured Loan Taken	147.25	506.05	229.50	882.80
Unsecured Loan Repaid (Including Interest)	154.38	549.70	242.10	946.18

Notes Forming Part of the Consolidated Financial Statements

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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 Loans Given and Repayments

Unsecured loan taken: (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Aakash Patel (HUF)	189.58	180.80
2	Aalok Patel	-	-
3	Jayendra Patel	41.50	101.00
4	Jayendra Patel (HUF)	121.00	106.00
5	Ritaben Patel	240.25	194.00
6	Namra Holdings & Consultancy Services LLP	515.00	229.50

Unsecured Loan Repayments: (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Aakash Patel (HUF)	216.18	195.36
2	Aalok Patel	-	-
3	Jayendra Patel	45.76	105.25
4	Jayendra Patel (HUF)	135.88	115.48
5	Ritaben Patel	268.77	210.78
6	Namra Holdings & Consultancy Services LLP	550.60	242.10

Remuneration & Perquisites Paid: (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Jayendra Patel	20.13	19.92
2	Aalok Patel	9.96	9.96
5	Vivek Modi	26.40	24.00

Interest expenses (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Aalok Patel	-	-
2	Jayendra Patel	-	-
3	Jayendra Patel (HUF)	14.88	9.48
4	Aakash Patel (HUF)	26.59	14.56
5	Namra Holdings & Consultancy Services LLP	-	-
6	Ritaben Patel	28.52	16.78

Sitting fees: (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Alok Prasad	1.72	1.23
2	K. D. Shah	0.57	1.15
3	Ramakant Nagpal	1.67	1.08
4	Ritaben Patel	0.75	1.00
5	Geetaben Solanki	0.85	0.58
6	Yash K Shah	0.97	-

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Rent paid (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	J. B. Patel & Co.	0.21	0.21

F. Outstanding Credit Balance of Salary Payable as Follows (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Aalok Patel	0.83	1.69
2	Jayendra Patel	4.64	3.36
3	Vivek Modi	2.20	2.00
4	Jaimish Patel	0.48	0.43

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:

(₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Post-employment benefits	2.05	0.83
2	Share Based Payment	8.69	8.06
	Total	**10.74**	**8.89**

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	2021-22	2020-21
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.	-	-

38. Stock Option Scheme

The Group has instituted 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"), pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016

During the year ended March 31, 2022, Group has granted 2,000 new stock options (P.Y. 3,500) under the scheme of 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"). The details are as under.

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Details of grant and exercise of such options are as follows:

Scheme	ESOP-2016								
Tranches	**ESOP-2016 -1**			**ESOP-2016 -2**		**ESOP-2016 -3**		**ESOP-2016 -4**	**ESOP-2016-5**
No. of options granted	97,500			9,000		2,500		3,500	2,000
Date of grant	May 26, 2017			May 25, 2018		October 13, 2018		February 12, 2021	February 14, 2022
No of Employees	55			3		1		6	2
Financial Year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	49	48	45	2	2	1	1	-	-
No. of options exercised	27,645	26,595	34,340	2,400	2,400	750	750	-	-

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; and February 14, 2022
Date of board meeting, where ESOP were approved	11-Aug-16
Date of committee meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; and February 14, 2022
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,14,500 out of 1,25,000
Method of Settelment	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 Group 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 Year
	2 – 30% End of Year
	3 – 40% End of Year
	Subject to lock in period of one year from the date of transfer 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

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Details of Vesting and Exercise of Options (ESOP 2016):

Vesting Date	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	2,400	2,400
October 13, 2020	750	750
May 24, 2021	3,200	3,200

The following table sets forth a summary of ESOP 2016:

Particulars	2021-22	2020-21
Options		
Outstanding at the beginning of the year	7,700	42,410
Vested but not exercised at the beginning of the year	-	-
Granted during the year	2,000	3,500
Forfeited during the year	2,000	400
Exercised during the year	3,200	37,490
Expired during the year	**-**	**320**
Outstanding at the end of the year	4,500	7,700
Exercisable at the end of the year	4,500	7,700
Weighted average exercise price per option	₹50/-	₹50/-

The Group has recognised share based payment expense of ₹15.00 Lakhs (March 31, 2021: ₹9.11 Lakhs) during the year as proportionate cost.

Scheme	ESOP-2016				
Tranches	**ESOP-2016 -1**	**ESOP-2016 -2**	**ESOP-2016 -3**	**ESOP-2016 -4**	**ESOP-2016 -5**
Date of grant	26.05.2017	25.05.2018	13.10.2018	12.02.2021	14.02.2022
Date of Board approval	11.08.2016				
Date of Shareholder's approval	22.09.2016				
Number of options granted	97,500	9,000	2,500	3,500	2,000
Exercise price	₹50/-				
Method of Settlement	Through allotment of one equity share for each option granted.				
	I. 30% of the options at the end of one year from the date of grant;				
	II. 30% of the options at the end of the two years from the date of grant;				
	III. 40% of the Options at the end of the three years from the date of grant.				
Vesting period	3 months from the date of vesting				
Exercise period	The Option holders are required to continue to hold the services being provided to the Group at the time of exercise of options.				
Vesting conditions	'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016")				

39. The Board of Directors has not recommended any dividend for the financial year 2021-22 (P.Y. Dividend Nil per equity share of face value of ₹10/- each).

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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: (₹in Lakhs)

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	64.46%	13,710.57	38.71%	1,228.10	20.95%	(123.61)
Subsidiaries Indian						
Namra Finance Limited	35.54%	7,558.03	61.29%	1,944.18	79.05%	(466.36)
Foreign	-	-	-	-	-	-
Minority interests in all subsidiaries associates (investments as per the equity method)						
Parent Subsidiaries Indian						
Namra Finance Limited	-	-	-	-	-	-
Foreign	-	-	-	-	-	-
Total	**100.00%**	**21,268.60**	**100.00%**	**3,172.28**	**100.00%**	**(589.97)**

41. The Amount expected to be Recovered or Setteled 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, 2022			As at March 31, 2021		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	7,552.76	-	**7,552.76**	8,791.77	-	**8,791.77**
Bank Balance other than above	2	5,072.52	1,608.75	**6,681.27**	5,671.40	2,374.25	**8,045.65**
Loans	3	73,653.76	32,106.91	**1,05,760.67**	49,945.62	24,317.07	**74,262.69**
Investments	4	591.74	-	**591.74**	317.73	-	**317.73**
Other Financial assets	5	937.85	361.81	**1,299.67**	687.15	102.15	**789.30**
Non-financial Assets							
Current tax assets (Net)	6	-	-	**-**	-	-	**-**
Deferred tax Assets (Net)	7	1,651.02	-	**1,651.02**	1,336.75	-	**1,336.75**
Property, Plant and Equipment & Other Intangible assets	8	-	365.20	**365.20**	-	348.55	**348.55**
Intangible assset under development	8	-	2.62	**2.62**	-	-	**-**
Right of Use Assets	8	-	121.93	**121.93**	-	59.15	**59.15**
Other non-financial assets	9	111.52	-	**111.52**	84.47	-	**84.47**
Total Assets		**89,571.18**	**34,567.22**	**1,24,138.40**	**66,834.88**	**27,201.17**	**94,036.05**

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Particulars	Note No.	As at March 31, 2022			As at March 31, 2021		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
(I) Other Payables	10						
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		117.77	-	117.77	76.09	-	76.09
Debt Securities	11	6,129.62	13,377.97	19,507.59	6,883.91	10,876.64	17,760.55
Borrowings (Other than Debt Securities)	12	58,735.88	18,225.58	76,961.46	33,735.28	19,146.27	52,881.55
Subordinated Liabilities	13	-	2,500.00	2,500.00	-	1,500.00	1,500.00
Other financial liabilities	14	3,171.25	126.24	3,297.49	2,365.73	83.98	2,449.71
Non-Financial Liabilities							
Provisions	15	39.44	76.31	115.74	29.68	59.87	89.55
Current Tax Liabilities (Net)	6	274.23	-	274.23	486.78	-	486.78
Other non-financial liabilities	16	95.51	-	95.51	115.87	-	115.87
EQUITY							
Equity Share capital	17	-	849.16	849.16	-	848.84	848.84
Other Equity	18	-	20,419.44	20,419.44	-	17,827.11	17,827.11
Total Liabilities and Equity		**68,563.69**	**55,574.71**	**1,24,138.40**	**43,693.35**	**50,342.70**	**94,036.05**

42. Fair Value Measurements:

A. Financial instrument by category and their fair value (₹in Lakhs)

As at March 31, 2022	Note No.	Carrying Amount		Fair Value			
		Amortised Cost	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value							
Loans	3	-	1,05,760.67	-	1,05,760.67	-	1,05,760.67
Investment in Units of Mutual Funds	4	591.74	-	591.74	-	-	591.74
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	8.12	-	8.12	-	-	8.12
Financial Assets Not Measured at Fair value							
Cash and Cash Equivalents	1	7,552.76	-	-	-	-	-
Bank Balances other than cash and Cash Equivalent	2	6,681.27	-	-	-	-	-
Security Deposits	5	413.19	-	-	-	-	-
Other Advance	5	450.49	-	-	-	-	-
Interest Due but not Received on Loans and Advances	5	758.35	-	-	-	-	-

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As at March 31, 2022	Note No.	Carrying Amount		Fair Value			
		Amortised Cost	FVOCI	Level 1	Level 2	Level 3	Total
Interest Accrued but not due on Bank Deposits	5	169.59	-	-	-	-	-
Total		**16,625.50**	**1,05,760.67**	**599.85**	**1,05,760.67**	**-**	**1,06,360.53**
Financial Liabilities Not Measured at Fair value							
Other Payable	10	117.77	-	-	-	-	-
Debt Securities	11	19,507.59	-	-	-	19,507.59	19,507.59
Borrowings (Other than Debt Securities)	12	76,961.46	-	-	-	76,961.46	76,961.46
Subordinated Liabilities	13	2,500.00	-	-	-	2,500.00	2,500.00
Other financial liabilities	14	3,297.49	-	-	-	-	-
Total Financial Liabilties		**1,02,384.31**	**-**	**-**	**-**	**98,969.05**	**98,969.05**

As at March 31, 2021	Note No.	Carrying Amount		Fair Value			
		Amortised Cost	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value							
Loans	3	-	74,262.69	-	74,262.69	-	74,262.69
Investment in Units of Mutual Funds	4	317.73		317.73	-	-	317.73
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	6.02	-	6.02	-	-	6.02
Financial Assets Not Measured at Fair value							
Cash and Cash Equivalents	1	8,791.77	-	-	-	-	-
Bank Balances other than cash and Cash Equivalent	2	8,045.65	-	-	-	-	-
Security Deposits	5	233.72	-	-	-	-	-
Other Advance	5	36.43	-	-	-	-	-
Interest Due but not Received on Loans and Advances	5	911.01	-	-	-	-	-
Interest Accrued but not due on Bank Deposits	5	210.57	-	-	-	-	-
Total		**18,552.90**	**74,262.69**	**323.75**	**74,262.69**	**-**	**74,586.44**
Financial Liabilities Not Measured at Fair value							
Other Payable	10	76.09	-	-	-	-	-
Debt Securities	11	17,760.55	-	-	-	17,760.55	17,760.55
Borrowings (Other than Debt Securities)	12	52,881.55	-	-	-	52,881.55	52,881.55
Subordinated Liabilities	13	1,500.00	-	-	-	1,500.00	1,500.00
Other financial liabilities	14	2,449.71	-	-	-	-	-
Total Financial Liabilties		**74,667.91**	**-**	**-**	**-**	**72,142.11**	**72,142.11**

The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Security Deposits, other Advances, interest Due but not received on loans and advances and Interest Accrued but not due on Bank Deposits bank deposits and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

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B Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

"The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last 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.

C 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.

C.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

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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.

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

(₹ in Lakhs)

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Retail assets (Refer Note 3)	1,05,760.67	74,262.69
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	-
Total	**1,05,760.67**	**74,262.69**

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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.

EXPECTED CREDIT LOSS FOR LOANS:

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

Marginal probability of default:

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

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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."

Changes in ECL allowances in relation to loans from beginning to end of reporting period: (₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening provision of ECL	5,154.67	1,910.62
Addition during the year	6,106.85	5,339.27
Utilization / reversal during the year	(4,729.83)	(2,095.22)
Closing provision of ECL	6,531.69	5,154.67

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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 2022 is 29.10% against regulatory norms of 15%. Tier I capital is 26.91% as against requirement of 10%. Tier II capital is 2.19% 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 2022 is 18.78% against regulatory norms of 15%. Tier I capital is 16.03% as against requirement of 10%. Tier II capital is 2.75% 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 ₹1,960 Lakhs spread across 6 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. (₹ in Lakhs)

Particulars	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, 2022									
Debt Securities (Refer Note 11)	-	-	-	2,350.00	4,779.62	12,377.98	-	-	19,507.60
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	6,622.78	4,322.64	4,420.38	15,980.46	26,968.95	20,118.47	27.78	1,000.00	79,461.46
As at March 31, 2021									
Debt Securities (Refer Note 11)	-	4,146.03	-	-	2,737.88	10,876.64	-	-	17,760.55
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	9,038.41	1,850.16	1,944.37	6,817.89	14,084.45	19,091.10	1,555.17	-	54,381.55

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.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

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, 2022	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits	6,666.00	6,666.00
Impact on profit for the year	33.33	(33.33)
Variable Rate Borrowings	76,961.46	76,961.46
Impact on profit for the year	(384.81)	384.81

V Foreign currency risk:

As at March 31, 2022, the company has outstanding foreign currency borrowings of Euro 5 million (March 31, 2021: Euro 5 million). 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 INR, are as follows:

(₹ in Lakhs)

Particulars	Currency	March 31, 2022	March 31, 2021
Financial liabilities			
External commercial borrowings (Refer Note 11)	Euro	4,150.37	4,151.80
(including interest accrued)			
(Gain)/loss: Derivative contract		(8.12)	(6.02)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. (₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Euro Sensitivity		
Inr/Euro-increase by 5%	(207.52)	(207.59)
Inr/Euro-decrease by 5%	207.52	207.59

* Holding all other variables constant

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2022

44. The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off (Net) ₹2,464.55 lacs. The ECL provision of ₹2,033.96 lacs is retained by the company as at March 31, 2022 towards management overlay on account of COVID-19. The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. 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]
UDIN: 22188150AMQCFL6299

Place: Ahmedabad
Date: 30.05.2022

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, 2022, the standalone statement of Profit and Loss (including other Comprehensive Income), the standalone statement of changes in Equity and the standalone statement of Cashflows 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, 2022, 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 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 there under, 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.

EMPHASIS OF MATTER

As described in **Note 3** to the Standalone Financial Statements that additional Expected Credit Loss (ECL) Provision on account of COVID-19 pandemic is based on Company's Collection Experience post Lockdown, internal assessment and other emerging forward looking factors on account of the Pandemic. During the Current Financial Year, Management has reduced Additional Expected Credit Loss (ECL) Provision which was provided as a part of additional Management Overlay in previous Financial year 2020-21 on account of uncertainties related to COVID-19 Pandemic, Considering Company's Collection Experience in respect of new Disbursements post Lockdown and Significant Increase in economic activities post easing of lockdown by state governments. Our opinion is not modified in respect of the above matters.

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, 2022 the Company has Net financial assets (loans) amounting to ₹18,829.50 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognise 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, 2022. 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 judgement around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. Further, due to COVID Pandemic and moratorium granted by the company, the calculation of expected credit loss had further challenges as the future outcome is dependent on various events, the outcome of which is uncertain. The management has recognised a provision of ₹77.54 Lakhs in the Statement of Profit and Loss for the year ended March 31, 2022. 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 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;
   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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 29 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 subclause (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.
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: 22188150ALRUQQ4546
Membership No. 188150

Place: Ahmedabad
Date: May 30, 2022

ANNEXURE A to Independent Auditor's Report

on Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2022

(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, Equipments 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.

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 to the Standalone Financial Statements for summarized details of such loans/advances 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) During the year, the Company has not accepted any deposits from public 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 Companies Act and the rules framed there under are not applicable to the Company. Therefore clause (v) of Companies (Auditor's Report) Order, 2020 is not applicable.

(vi) According to the information and explanations given to us, the Company is not required to maintain cost records as required by the central government under sub section (1) of section 148 of the Companies Act, 2013. Hence clause (vi) of the (Auditor's Report) Order, 2020 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, wealth 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, 2022 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)	-

(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 holders.

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 not made any preferential allotment or private placement of shares or convertible debentures during the year.

(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) During the year, M/s Samir M. Shah & Associates, Chartered Accountants, the Statutory auditors of the Company have resigned with effect from September 2, 2021 consequent to amended rules/regulations applicable to the Company (i.e vide RBI Circular dated April 27, 2021). According to the information and Explanations given to us, there has been no issues, objections or concerns raised by the said outgoing statutory auditors of the company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information 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;

(xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of any Group company included in the consolidated financial statements.

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

CA Kushal U. Talati
Partner
UDIN: 22188150ALRUQQ4546
Membership No. 188150

Place: Ahmedabad
Date: May 30, 2022

ANNEXURE B to Independent Auditor's Report

on Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2022

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, 2022 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, 2022, 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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: 22188150ALRUQQ4546
Membership No. 188150

Place: Ahmedabad
Date: May 30, 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	3,101.93	4,906.56
(b) Bank Balance other than (a) above	2	756.52	1,778.46
(c) Loans	3	18,829.51	15,115.26
(d) Investments	4	9,304.06	6,518.84
(e) Other financial assets	5	109.83	164.79
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	17.40	-
(b) Deferred tax assets (Net)	7	463.64	438.48
(c) Property, plant and equipment	8	81.22	75.86
(d) Other intangible assets	8	0.40	0.40
(e) Intangible asset under development	8	2.62	-
(f) Other non-financial assets	9	71.75	70.15
Total Assets		**32,738.87**	**29,068.82**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Debt securities	10	6,728.57	6,484.03
(b) Borrowings (Other than debt securities)	11	10,569.96	8,351.71
(c) Subordinated liabilities	12	500.00	500.00
(d) Other financial liabilities	13	498.08	500.73
(2) Non-Financial Liabilities			
(a) Current tax liablities (Net)	6	-	38.80
(b) Provisions	14	39.93	39.20
(c) Other non-financial liabilities	15	307.04	371.04
EQUITY			
(1) Equity share capital	16	849.16	848.84
(2) Other equity	17	13,246.14	11,934.47
Total Liabilities and Equity		**32,738.87**	**29,068.82**
See accompanying notes to the financial statements	**1 to 45**		

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, **Talati & Talati LLP**
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

[Kushal Talati]
Partner
[M.No.188150]
UDIN: 22188150ALRUQQ4546

Place: Ahmedabad
Date: 30.05.2022

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 Profit & Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
(1) Revenue from operations			
Interest income based on effective interest method	18	6,116.69	6,033.51
Fees and commission income	19	87.09	1.31
Net gain on fair value changes	20	37.58	25.36
Total revenue from operations (1)		**6,241.36**	**6,060.18**
(2) Other income	**21**	**380.49**	**294.59**
(3) Total income (1+2)		**6,621.85**	**6,354.77**
(4) Expenses			
Finance costs	22	1,789.01	1,997.74
Impairment of financial assets	23	733.49	1,791.98
Employee benefits expenses	24	1,279.78	1,166.34
Depreciation, amortization and impairment	25	10.03	10.12
Others expenses	26	679.57	449.10
Total Expenses (4)		**4,491.88**	**5,415.28**
(5) Profit / (loss) before tax (3-4)		**2,129.97**	**939.49**
(6) Tax expense:			
(1) Current tax	27	490.10	525.70
(2) Short / (excess) provision of income tax/deffered tax of earlier years	27	-	6.36
(3) Deferred tax	27	16.42	(392.31)
(7) Profit/(loss) for the period (5-6)		**1,623.44**	**799.74**
(8) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		8.23	7.27
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.07)	(1.83)
Sub total (A)		6.16	5.44
(B) (i) Items that will be reclassified to profit or loss			
- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(173.41)	232.37
(ii) Income tax relating to items that will be reclassified to profit or loss		43.64	(58.48)
Sub total (B)		(129.77)	173.89
Other comprehensive income (A + B)		**(123.61)**	**179.32**
(9) Total comprehensive income for the period (7+8)		1,499.84	979.07
(10) (Comprising Profit (Loss) and other comprehensive income for the period)			
Earnings per equity share			
Basic (₹)	28	19.12	9.44
Diluted (₹)	28	19.12	9.44
See accompanying notes to the financial statements	**1 to 45**		

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, **Talati & Talati LLP**
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

[Kushal Talati]
Partner
[M.No.188150]
UDIN: 22188150ALRUQQ4546

Place: Ahmedabad
Date: 30.05.2022

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)

Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in Lakhs)

(A) Equity share capital (Refer Note 16)

FY - 2021-22

Particulars	Balance as at March 31, 2021	Changes in Equity share capital due to prior period errors	Restated Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Ordinary Equity share capital	848.84	-	848.84	0.32	849.16

FY - 2020-21

Particulars	Balance as at March 31, 2020	Changes in Equity share capital due to prior period errors	Restated Balance as at March 31, 2020	Changes during the year	Balance as at March 31, 2021
Ordinary Equity share capital	845.09	-	845.09	3.75	848.84

(B) Other equity (Refer note 17)

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		
Balance as at March 31, 2021	**-**	**134.35**	**1,200.00**	**6,891.79**	**3,516.87**	**14.06**	**177.30**	**11,934.37**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at March 31, 2021	**-**	**134.35**	**1,200.00**	**6,891.79**	**3,516.87**	**14.06**	**177.30**	**11,934.37**
Profit for the year	-	-	-	-	1,623.44	-	-	1,623.44
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(123.61)	(123.61)
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**1,623.44**	**-**	**(123.61)**	**1,499.83**
Transactions with Owners in the capacity as Owners								
Final Dividend on equity shares including dividend distribution tax (DDT)	-	-	-	-	-	-	-	-
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	325.00	-	(325.00)	-	-	-
Reversal of Corporate Guarantee due to closure of loan of subsidiary company	-	-	-	-	(197.67)	-	-	(197.67)
Additions during the year in securities premium	-	-	-	11.98	-	(10.70)	-	1.28
Share Issue Expense securities premium	-	-	-	-	-	-	-	-
Transfer during the year in General Reserve	-	10.00	-	-	(10.00)	-	-	-
Share based payment to employees (ESOP) (Refer note 17)	-	-	-	-	-	8.23	-	8.23
Balance as at March 31, 2022	**-**	**144.35**	**1,525.00**	**6,903.77**	**4,607.64**	**11.59**	**53.69**	**13,246.05**

Statement of Changes in Equity (Contd..)

for the year ended March 31, 2022

(₹ in Lakhs)

FY-2020-21

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		
Balance as at March 31, 2020	**-**	**124.35**	**1,040.00**	**6,818.77**	**3,182.06**	**65.44**	**(2.03)**	**11,228.60**
Profit for the year	-	-	-	-	799.64	-	-	799.64
Other comprehensive income (net of taxes)	-	-	-	-	-	-	179.32	179.32
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**799.64**	**-**	**179.32**	**978.96**
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	160.00	-	(160.00)	-	-	-
Reversal of Corporate Guarantee due to closure of loan of subsidiary company	-	-	-	-	(294.83)	-	-	(294.83)
Additions during the year in securities premium	-	-	-	73.01	-	(58.02)	-	15.00
Share Issue Expense securities premium	-	-	-	-	-	-	-	-
Transfer during the year in General Reserve	-	10.00	-	-	(10.00)	-	-	-
Share based payment to employees (ESOP) (Refer note 17)	-	-	-	-	-	6.65	-	6.65
Reversal of Deffered Tax Impact on Compulsory convertible Debenture	-	-	-	-	-	-	-	-
Conversion of Compulsory convertible Debenture	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**-**	**134.35**	**1,200.00**	**6,891.79**	**3,516.87**	**14.07**	**177.29**	**11,934.37**

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]
UDIN: 22188150ALRUQQ4546

Place: Ahmedabad
Date: 30.05.2022

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 Cash Flow

for the year ended March 31, 2022 (₹ in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A: Cash from Operating Activities:				
Net profit before taxation		2,129.96		939.48
Adjustment For:				
Depreciation and amortisation	10.03		10.12	
Interest Income	(6,116.69)		(6,033.51)	
Finance cost Expense	1,789.01		1,967.74	
Provision for impairment on financial assets	77.54		1,383.63	
Loss / (Profit) on sale of Current Investment	(37.58)		(25.36)	
Remeasurement of define benefit plan	8.23		7.27	
Employee Stock Option Plan Expense	4.41		5.67	
Interest on shortfall of advance Tax	16.05		30.00	
Financial Guarantee Income	(295.71)		(229.02)	
		(4,544.70)		(2,883.46)
Operating profit before working Capital changes :		**(2,414.74)**		**(1,943.98)**
Adjustment For Increase/(Decrease) in Operating Assets:				
Loans and Advances	(3,965.20)		5,998.64	
Financial Assets	(15.92)		133.07	
Non Financial Assets	(1.60)		9.63	
Bank balance other than Cash and Cash equivalents	1,021.94		(1,204.03)	
Adjustment For Increase/(Decrease) in Operating Liabilities:				
Other Non Financial liability	6.54		(15.81)	
Other Financial Liabilities	(0.24)		30.42	
Provision	0.73		3.99	
		(2,953.75)		4,955.91
Cash Generated From Operations		**(5,368.49)**		**3,011.93**
Interest Income Received	6,187.57		5,980.67	
Finance Cost Paid	(1,831.16)		(1,954.90)	
Income tax paid	(562.35)		(392.62)	
		3,794.06		3,633.15
Net Cash From Operating Activities:		**(1,574.43)**		**6,645.08**
B: Cash Flow From Investing Activities:				
Purchase of Property, Plant & Equipment	(18.00)		(3.27)	
Purchase of investments	(12,553.40)		(7,050.00)	
Sale of investments	9,837.08		7,075.35	
Net Cash from Investment Activities:		**(2,734.33)**		**22.08**
C: Cash Flow From Financing Activities :				
Proceeds from issue of share capital (including Premium)	1.60		18.74	
Dividend paid	-		(2.63)	
Share Issue Expense	-		-	
Proceeds from long term borrowings	11,800.00		1,000.00	
Repayment of borrowings	(6,776.99)		(4,603.03)	
Net increase / (decrease) in working capital borrowings	(2,520.48)		1,805.32	
Net Cash from Financing Activities:		**2,504.13**		**(1,781.60)**
Net Increase/(Decrease) in Cash & Cash Equivalents		**(1,804.64)**		**4,885.55**
Cash & cash equivalents at the beginning of the year		4,906.56		21.01
Cash & cash equivalents at the end of the year		3,101.93		4,906.56

As per our report of even date attached herewith

Notes :

1. Cash and bank balance at the end of the year comprises: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	14.14	17.59
Balance with Bank	3,087.78	4,888.97
Total	**3,101.93**	**4,906.56**
Bank deposit with original maturity of 3 months or less	-	-
Cash & cash equivalents as per Balance Sheet	**3,101.93**	**4,906.56**

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: (₹ in Lakhs)

Particulars	March 31, 2021	Cash Flows	Non Cash Changes	March 31, 2022
Debt Securities	6,484.03	-	244.54	6,728.57
Borrowing other than debt Securities	8,351.71	2,502.53	(284.28)	10,569.96
Total	**14,835.74**	**2,502.53**	**(39.74)**	**17,298.53**

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]
UDIN: 22188150ALRUQQ4546

Place: Ahmedabad
Date: 30.05.2022

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)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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 deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW") to create the underlying assets of SME and TW. 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") and
ii) Defined benefit plans - plan assets

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 37.

ii) Effective interest rate ("EIR") method

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.

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 36.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

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

B. Interest income

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

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial 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 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) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

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.

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 continue 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 (three 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.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated March 23, 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company.
The company will be apply the amendments from April 1, 2022 being the effective date of the amendments:

- **Ind AS 101 – First-time adoption of Indian Accounting Standards:**

  The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from April 1, 2022. As the company has already adopted Ind AS. there is no impact of this amendment on the company.

- **Ind AS 103 – Business Combinations:**

  The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after April 1, 2022.

- **Ind AS 109 – Financial Instruments:**

  The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after April 1, 2022. The amendment has no impact on the financial statements of the company.

- **Ind AS 16 – Property, Plant and Equipment:**

  The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

- **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:**

  The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on April 1, 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

- **Ind AS 41 – Agriculture:**

  The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after April 1, 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

1.	Cash and Cash Equivalent	As at March 31, 2022	As at March 31, 2021
	Cash on hand	14.14	17.59
	Balance with banks	3,087.78	4,888.97
	Total	**3,101.93**	**4,906.56**

(₹in Lakhs)

2.	Other Bank Balance	As at March 31, 2022	As at March 31, 2021
	In fixed deposit accounts:		
	Deposits given as security against borrowings and other commitments	746.73	1,772.77
	Earmarked balances with banks	15.27	17.88
	Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(5.49)	(12.18)
	Total	**756.52**	**1,778.46**

2.1 Deposits includes deposits given as cash collateral security against bank loans.

2.2 Earmarked balance with banks represents ₹15.27 Lakhs (As at 31 March 2021 ₹17.88 Lakhs) in Unpaid Dividend Account.

(₹in Lakhs)

3.	Loans	As at March 31, 2022	As at March 31, 2021
	At Amortised Cost:		
	Inter Corporate Deposit	-	128.02
	At FVOCI:		
	Secured by Tangible Asset	4,636.32	4,662.29
	Unsecured Loans	16,294.09	12,412.50
	Total Loans	**20,930.41**	**17,202.81**
	Less : Impairment Loss allowance	(1,814.99)	(1,842.88)
	Less: Interest Due but not Received on Loans and Advances (Note No.5)	(285.91)	(244.66)
		18,829.51	**15,115.26**
	(1) Loans In India		
	Public Sector	-	-
	Others	18,829.51	15,115.26
		18,829.51	**15,115.26**
	(2) Loans Outside India	**-**	**-**
	Total	**18,829.51**	**15,115.26**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances: (₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at March 31, 2020	**21,791.21**	**525.30**	**357.35**	**22,673.86**
New Assets originated*	7,954.07	24.34	7.05	7,985.45
Net transfer between stages				
Transfer from stage 1	(2,192.61)	874.80	1,317.81	-
Transfer from stage 2	35.16	(175.77)	140.61	-
Transfer from stage 3	1.68	3.31	(4.99)	-
Assets derecognised or collected	12,730.65	366.77	189.43	13,286.86
Write - offs	-	-	482.99	482.99
Carrying amount as at March 31, 2021	**14,858.85**	**885.21**	**1,145.41**	**16,889.47**
New Assets originated*	15,332.75	126.30	82.01	15,541.06
Net transfer between stages				
Transfer from stage 1	(1,328.59)	283.30	1,045.29	-
Transfer from stage 2	24.64	(347.90)	323.26	-
Transfer from stage 3	8.48	4.89	(13.36)	-
Assets derecognised or collected	9,998.45	358.74	438.56	10,795.75
Write - offs	299.82	152.98	537.50	990.29
Carrying amount as at March 31, 2022	**18,597.86**	**440.08**	**1,606.55**	**20,644.49**

***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: (₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2020	**303.25**	**110.57**	**187.02**	**600.84**
Addition During the Year	230.52	353.77	1,429.49	2,013.79
Reversal During the Year	(38.95)	(98.58)	(634.21)	(771.75)
ECL Allowances as at March 31, 2021	**494.82**	**365.76**	**982.30**	**1,842.88**
Addition During the Year	511.70	171.26	1,243.99	1,926.95
Reversal During the Year	(615.95)	(403.06)	(935.84)	(1,954.85)
ECL Allowances as at March 31, 2022	**390.57**	**133.96**	**1,290.45**	**1,814.98**

Note: Decrease in ECLs of the portfolio was driven by better credit performance in post COVID disbursement and movements within stages. The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off (net) ₹ 655.94 Lakhs. The Total ECL provision of ₹1,814.98 Lakhs on Loans and Advances is retained by the company as at March 31, 2022. The additional ECL provision booked on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. 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 33 for loans to subsidiary company.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

4. Investments (At Cost)	As at March 31, 2022	As at March 31, 2021
Subsidiary		
Investment in shares of subsidiary	8,566.09	5,812.19
Investment in subsidiary on account of:		
- Corporate financial guarantee given to bank on behalf of subsidiary	655.88	628.38
- Issuance of equity shares to the employees of subsidiary at discount	82.10	78.28
	9,304.06	**6,518.84**
(1) Investment In India	9,304.06	6,518.84
(2) Investment outside India	-	-
Total	**9,304.06**	**6,518.84**

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 Company has 3,32,60,000 (P.Y. 2,71,50,000) Equity Share of face value ₹10/- each fully paid up.

(₹ in Lakhs)

5. Other Financial Assets	As at March 31, 2022	As at March 31, 2021
Interest Due but not Received on Loans and Advances (Note No.3)	285.91	244.66
Interest Accrued but not due on Bank Deposits (Note No.2)	5.49	12.18
Deposits	69.54	34.80
Other Advances	6.18	24.99
Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(257.29)	(151.85)
Total	**109.83**	**164.79**

5.1 Deposits includes deposits ₹58.35 Lakhs (P.Y. ₹25.04 Lakhs), given as collateral security against loans from financial Institutes.

5.2 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below: (₹ in Lakhs)

Pariculars	As at March 31, 2022	As at March 31, 2021
ECL Allowances As at beginning of the year	**151.85**	**10.26**
Addition During the Year	217.70	150.86
Reversal During the Year	(112.26)	(9.27)
ECL Allowances As at end of the year	**257.29**	**151.85**

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

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

6.	Current Tax (Net)	As at March 31, 2022	As at March 31, 2021
	Advance Tax and TDS	2,069.01	1,506.65
	Less: Provision for Tax	(2,051.60)	(1,545.46)
	Total	**17.40**	**(38.80)**

(₹ in Lakhs)

7.	Deferred Tax	As at March 31, 2022	As at March 31, 2021
A.	**Defferred Tax Assets on Account of:**		
	Provision for employee benefits that are allowable for tax purpose in the year of payment	10.05	9.87
	Shares issue expenses that are allowable for tax purpose on deferred basis	0.57	0.86
	Impairment on Financial Assets	502.03	502.03
	Financial assets measured at amortised cost	64.87	12.18
	Provision for CSR	3.84	-
	Total Deferred Tax Assets	**581.36**	**524.93**
B.	**Defferred Tax Liability on Account of:**		
	Difference in written down value as per Companies Act and Income Tax Act	(5.72)	(5.55)
	Financial liabilities measured at amortised cost	(28.61)	(18.61)
	Interest Receivable on NPA Assets	(64.75)	-
	Fair valuation of financial instruments through Other Comprehensive Income	(18.65)	(62.29)
	Total Deferred Tax Liabilities	(117.72)	(86.45)
	Total Asset/(Liability) (Net)	**463.64**	**438.48**

7.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(₹ in Lakhs)

Particulars	March 31, 2021	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	March 31, 2022
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	9.87	-	2.26	(2.07)	10.05
Shares issue expenses that are allowable for tax purpose on deferred basis	0.86	-	(0.29)	-	0.57
Impairment on Financial Assets	502.03	-	20.84	-	502.03
Financial assets measured at amortised cost	12.18	-	52.69	-	64.87

Contd..

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

Particulars	March 31, 2021	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	March 31, 2022
Provision for CSR	-	-	3.84	-	3.84
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(5.55)	-	(0.16)	-	(5.72)
Financial liabilities measured at amortised cost	(18.61)	-	(10.00)	-	(28.61)
Interest Receivable on NPA Assets	-	-	(64.75)	-	(64.75)
Fair valuation of financial instruments through Other Comprehensive Income	(62.29)	-	-	43.64	(18.65)
Total Asset/(Liability) (Net)	**438.48**	**-**	**4.42**	**41.57**	**463.63**

(₹ in Lakhs)

Particulars	March 31, 2020	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	March 31, 2021
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	8.86	-	2.83	(1.83)	9.87
Shares issue expenses that are allowable for tax purpose on deferred basis	1.14	-	(0.29)	-	0.86
Fair valuation of financial instruments through Other Comprehensive Income	-	-	12.18	-	12.18
Impairment on Financial Assets	153.80	-	348.23	-	502.03
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(5.83)	-	0.28	-	(5.55)
Financial liabilities measured at amortised cost	(33.86)	-	15.25	-	(18.61)
Income Taxable on Realised Basis	(13.82)	-	13.82	-	-
Financial liabilities in Respect of Compulsorily Convertible Debenture measured at amortised cost	-	-	-	-	-
Fair valuation of financial instruments through Other Comprehensive Income	(3.81)	-	-	(58.48)	(62.29)
Total Asset/(Liability) (Net)	**106.49**	**-**	**392.31**	**(60.31)**	**438.49**

Notes Forming Part of the Standalone Financial Statements
for the year ended March 31, 2022

8. Property, Plant & Equipment

(₹ in Lakhs)

Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets
At March 31, 2019	**52.23**	**50.26**	**20.04**	**17.01**	**33.79**	**173.33**	**8.05**	**-**	**181.38**
Addition	-	5.82	3.83	-	5.35	15.00	-	-	15.00
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2020	**52.23**	**56.07**	**23.87**	**17.01**	**39.15**	**188.33**	**8.05**	**-**	**196.38**
Addition	-	0.96	2.31	-	-	3.27	-	-	3.27
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2021	**52.23**	**57.04**	**26.18**	**17.01**	**39.15**	**191.60**	**8.05**	**-**	**199.65**
Addition	-	5.31	0.15	-	9.93	15.39	-	2.62	18.00
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2022	**52.23**	**62.35**	**26.33**	**17.01**	**49.07**	**206.99**	**8.05**	**2.62**	**217.66**
Accumulated Depreciation	**Buildings**	**Furniture & Fixtures**	**Office Equipments**	**Vehicles**	**Computers**	**Total Property, Plant & Equipment**	**Intangible Assets**	**Intangible asset under development**	**Total Assets**
At March 31, 2019	**16.01**	**33.29**	**14.17**	**3.20**	**29.53**	**96.20**	**5.92**	**-**	**102.12**
Change for the year	0.83	3.51	1.58	1.98	1.92	9.82	1.32	-	11.15
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2020	**16.84**	**36.80**	**15.76**	**5.18**	**31.45**	**106.03**	**7.24**	**-**	**113.27**
Change for the year	0.83	3.59	1.22	1.98	2.10	9.71	0.41	-	10.12
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2021	**17.66**	**40.39**	**16.98**	**7.15**	**33.55**	**115.74**	**7.65**	**-**	**123.39**
Change for the year	0.83	3.07	1.45	1.98	2.71	10.03	-	-	10.03
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2022	**18.49**	**43.46**	**18.42**	**9.13**	**36.26**	**125.77**	**7.65**	**-**	**133.41**
Net Carrying Value									
At March 31, 2020	**35.39**	**19.28**	**8.12**	**11.83**	**7.69**	**82.31**	**0.81**	**-**	**83.12**
At March 31, 2021	**34.56**	**16.65**	**9.20**	**9.86**	**5.60**	**75.86**	**0.40**	**-**	**76.27**
At March 31, 2022	**33.74**	**18.89**	**7.90**	**7.88**	**12.81**	**81.22**	**0.40**	**2.62**	**84.24**

Notes Forming Part of the Standalone Financial Statements
for the year ended March 31, 2022

8.1

A. Intangible assets under development aging schedule :

Intangible assets under development	March 31, 2022 Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	2.62	-	-	-	2.62
Projects temporarily suspended	-	-	-	-	-

Amount in CWIP for a period of	March 31, 2021 Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

B. For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :

Intangible assets under development	March 31, 2022 To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

Intangible assets under development	March 31, 2021 To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

(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, 2022

(₹ in Lakhs)

9. Other Non - Financial Assets	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	2.86	5.69
Balance with Government Authorities	-	-
Advances to staff	8.07	5.11
Advance to Suppliers	60.82	59.34
Total	**71.75**	**70.15**

(₹ in Lakhs)

10. Debt Securities (At Amortised Cost)	As at March 31, 2022	As at March 31, 2021
Secured Debenture (Refer note 10.1)		
12.60% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each (C.Y. Nil Unit, P.Y. 275 Unit)	-	2,750.00
13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each (C.Y. 378 Unit, P.Y. 378)	3,780.00	3,780.00
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs each (C.Y. 300 Unit, P.Y. Nil)	3,000.00	-
Less: Unamortised borrowing costs	(51.43)	(45.97)
Total Debt Securities	**6,728.57**	**6,484.03**
Debt Securities in India	2,970.28	-
Debt Securities Outside India	3,758.29	6,484.03
Total	**6,728.57**	**6,484.03**

10.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities (Refer Note 11.3)

(₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021	Terms of Redemption / Repayment	Security
275, 12.60% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs Each	-	2,750.00	Bullet Payment at the end of the tenor of 42 Months from 19-09-2018	Secured Under Hypothecation of Specific Assets Portfolio
378, 13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs Each	3,780.00	3,780.00	99.99% on 03-03-2023 and Remaining Bullet Payment at the end of 60 Months From 03-03-2020	Secured Under Hypothecation of Specific Assets Portfolio
300, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakhs Each	3,000.00	-	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
Total Debt Securities	**6,780.00**	**6,530.00**		

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

11. Borrowings (at Amortized Cost)	As at March 31, 2022	As at March 31, 2021
Term Loans		
Secured		
From Banks	2,982.30	1,694.44
From Financial Institutions	6,188.51	2,703.36
Loans repayable on demand from banks	1,461.39	3,981.87
Loans from Related Parties		
From Directors and their relatives	-	-
Inter Corporate Deposits - Unsecured	-	-
Less: Unamortised borrowing costs	(62.24)	(27.96)
Total Borrowings	**10,569.96**	**8,351.71**
Borrowings in India	10,569.96	8,351.71
Borrowings Outside India	-	-
Total	**10,569.96**	**8,351.71**

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 10.25% to 15.00% p.a.

The Company has not defaulted in repayment of borrowings and interest.

11.3 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings: (₹ in Lakhs)

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Borrowings (other than that Debt Security)				
Term Loan From Bank-1	-	222.22	Repayable in 36 monthly installments Stating From from 15 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-2	138.89	472.22	Repayable in 36 monthly installments Stating From from 18 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-3	85.71	200.00	Repayable in 21 monthly installments Stating From from 30 April 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-4	457.14	800.00	Repayable in 21 monthly installments Stating From from 31 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-5	500.00	-	Repayable in 21 monthly installments Stating From from 30 June 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, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Bank-6	1,800.55	-	Repayable in 33 monthly installments Stating From from 25 June 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.
Total Term Loans From Banks	**2,982.30**	**1,694.44**		
Term Loan From Financial Institution 1	-	333.33	Repayable in 12 Quarterly installments Stating From from 31 May 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 2	-	166.90	Repayable in 36 monthly installments Stating From from 03 September 2018	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	795.31	199.48	Repayable in 30 monthly installments Stating From from 02 October 2018	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	855.83	-	Repayable in 30 monthly installments Stating From from 02 October 2018	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	-	76.37	Repayable in 24 monthly installments Stating From from 01 May 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 6	13.07	87.33	Repayable in 36 monthly installments Stating From from 15 April 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 7	424.66	936.95	Repayable in 36 monthly installments Stating From from 31 January 2020	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	-	403.00	Repayable in 36 monthly installments Stating From from 31 January 2020	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	41.67	125.00	Repayable in 36 monthly installments Stating From from 25 October 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 10	41.67	125.00	Repayable in 36 monthly installments Stating From from 25 October 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 11	41.67	125.00	Repayable in 36 monthly installments Stating From from 25 October 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 12	41.67	125.00	Repayable in 36 monthly installments Stating From from 25 October 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 13	350.00	-	Repayable in 36 monthly installments Stating From from 25 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 Standalone Financial Statements
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Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 14	150.00	-	Repayable in 36 monthly installments Stating From from 25 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 15	350.00	-	Repayable in 36 monthly installments Stating From from 25 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 16	150.00	-	Repayable in 36 monthly installments Stating From from 25 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 17	395.83	-	Repayable in 24 monthly installments Stating From from 15 November 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	395.83	-	Repayable in 24 monthly installments Stating From from 15 November 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	500.00	-	Repayable in 21 monthly installments Stating From from 15 July 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	500.00	-	Repayable in 21 monthly installments Stating From from 15 July 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	375.00	-	Repayable in 24 monthly installments Stating From from 31 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	375.00	-	Repayable in 24 monthly installments Stating From from 31 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	391.30	-	Repayable in 24 monthly installments Stating From from 30 November 2021	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	**6,188.51**	**2,703.36**		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	-	32.18	Facility has been closed Sep 2021	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	178.52	125.15	-	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.
Cash Credit Facility From Bank 3	-	1,885.27	CC facility converted to Term Loan Facility of RS 1800 Lakhs on 31--03-2022	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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Cash Credit Facility From Bank 4	339.63	464.08	-	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 5	905.95	643.73	-	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.
Cash Credit Facility From Bank 6	37.29	30.88	-	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 1	-	800.58	OD facility Closed	Secured by a first and exclusive charge Bank Deposits
Total Loans repayable on demand from banks	**1,461.39**	**3,981.87**		

The Company has borrowed funds from banks and finacial institutions on the basis of security of book debts.It has filed quarterly returns or statements of book debts with banks and finacial institutions and the said returns/statements are in agreement with books of accounts.

(₹ in Lakhs)

12.	Subordinated Liabilities (At Cost)	As at March 31, 2022	As at March 31, 2021
	Unsecured		
	15%, Unsecured Subordinated Term Loan in India	500.00	500.00
	Unsecured Subordinated Debt outside India	-	-
	Total	**500.00**	**500.00**

12.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities: (₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank 1	500.00	500.00	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured

(₹ in Lakhs)

13.	Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
	Interest accrued but not due on Borrowings	49.69	52.10
	Payable to Employees	111.43	86.99
	Security deposits received from Borrowers	26.90	25.50
	Insurance Payable	192.01	163.00
	Unpaid expenses	85.95	57.90
	Unpaid dividend	15.27	17.88
	Payable towards assignment and transactions	16.82	97.38
	Total	**498.08**	**500.73**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

13.1 Unpaid dividend outstanding as on March 31, 2022 is not due for transfer to investor education and protection fund by the Company.

13.2 Trade Payable ageing schedule (₹ in Lakhs)

As on March 31, 2022	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	70.29
Outstanding between 1 year to 2 Years	-	-	-	0.40
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on March 31, 2021	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	49.92
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

13.3 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: (₹ in Lakhs)

Sr No	Particulars	As at March 31, 2022	As at March 31, 2021
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, 2022

(₹in Lakhs)

14.	Provisions	As at March 31, 2022	As at March 31, 2021
	Provisions for employee benefits - Gratuity	39.93	39.20
	Total	**39.93**	**39.20**

(₹in Lakhs)

15.	Other Non Financial Liabilities	As at March 31, 2022	As at March 31, 2021
	Other statutory dues	11.20	8.99
	TDS payable	19.39	15.06
	Financial Guarantee (Liability)	276.45	346.99
	Total	**307.04**	**371.04**

(₹in Lakhs)

16.	Equity Share Capital	As at March 31, 2022	As at March 31, 2021
	Authorized Shares		
	1,50,00,000 Equity Shares of ₹10/- each (As at March 31, 2021: 1,50,00,000 Equity Shares of ₹10/- each)	1,500.00	1,500.00
	Total	**1,500.00**	**1,500.00**
	Issued, subscribed and fully paid-up shares:		
	84,91,584 Equity Shares of (As at March 31, 2021: 84,88,384 Equity Shares) of ₹10/- each fully paid up (Ordinary)	849.16	848.84
	Total	**849.16**	**848.84**

16.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as set out below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Ordinary Equity Shares:				
Outstanidng at the beinning of the year	84,88,384	848.84	84,50,894	845.09
Issued during the year	3,200	0.32	37,490	3.75
Outstanding at the end of the year	**84,91,584**	**849.16**	**84,88,384**	**848.84**

16.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2022		March 31, 2021	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	4,27,937	5.04%	4,27,937	5.04%
Ritaben Patel	4,36,089	5.14%	4,36,089	5.14%
Mukul Agrawal	4,29,262	5.06%	4,29,262	5.06%
Elevation Capital V Limited	18,90,417	22.26%	18,90,417	22.27%
Namra Holdings & Consultancy Services LLP	9,48,308	11.17%	9,48,308	11.17%

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

16.3 Details of Promotors Shareholding of ordinary shares of the company are as follows : (₹in Lakhs)

Promotor Name	March 31, 2022		March 31, 2021	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	4,27,937	5.04%	4,27,937	5.04%
Jayendrabhai Patel HUF	1,96,000	2.31%	1,96,000	2.31%
Amit Rajnikant Mankiwala	13,244	0.16%	13,244	0.16%
Ritaben Patel	4,36,089	5.14%	4,36,089	5.14%
Himani Amit Mankiwala	19,830	0.23%	19,830	0.23%
Aalok Jayendrabhai Patel	2,47,809	2.92%	2,47,809	2.92%
Maulik Amit Mankiwala	800	0.01%	800	0.01%
Namra Holdings & Consultancy Services LLP	9,48,308	11.17%	9,48,308	11.17%
Sajni Aalok Patel	41,316	0.49%	41,316	0.49%

16.4 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 39.

16.5 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.

17.	Other Equity (Refer Note 17.1)	As at March 31, 2022	As at March 31, 2021
	A. Reserves and Surplus		
	i. General Reserve		
	Balance as per last financial statement	134.35	124.35
	Add: Transfer from statement of profit and loss	10.00	10.00
	Closing Balance	**144.35**	**134.35**
	ii. Special Reserve u/s 45-IC of the RBI Act,1934		
	Balance as per last financial statement	1,200.00	1,040.00
	Add: Transfer from statement of profit and loss	325.00	160.00
	Closing Balance	**1,525.00**	**1,200.00**
	iii. Securities Premium		
	Balance as per last financial statement	6,891.79	6,818.77
	Add: Share Premium on shares issued duing the year	11.98	73.01
	Less: Share Issue Expenses	-	-
	Closing Balance	**6,903.77**	**6,891.79**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

iv. Share Based Payment Reserve		
Balance as per last fiancial statements	14.06	65.43
Add/(Less): Stock option expenditure for the year	15.00	9.11
Less: amount transfered towards option expired unexercised	6.77	2.46
Less: Reversal of ESOP reserve on exercised option of stock option	10.70	58.02
Closing Balance	**11.59**	**14.06**
v. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	3,516.96	3,182.06
Add : Profit for the year	1,623.44	799.73
Less: Appropriations		
Amount transfer to General Reserve	(10.00)	(10.00)
Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(325.00)	(160.00)
Conversion of Compulsory convertible Debenture	-	-
Reversal of Corporate Guarantee due to closure of loan of subsidiary company	(197.67)	(294.83)
Dividend Paid	-	-
Tax paid on Dividend	-	-
Closing Balance	**4,607.74**	**3,516.96**
B. Other Comprehensive Income		
Balance as per last financial statement	177.30	(2.03)
Additions during the year	(123.61)	179.32
Closing Balance	**53.69**	**177.30**
Total	**13,246.14**	**11,934.47**

17.1 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 reserve 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 Standalone Financial Statements

for the year ended March 31, 2022

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 oustanding account is used to recognise the grant date fair value of option issued to employees under employee stock option shceme

18. Interest Income (Amortised Cost) (₹in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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	5,833.21	-	5,756.18	-
Interets on Deposits as Security	-	153.61	-	80.08
Interets on Others	-	129.87	-	197.25
Total	**5,833.21**	**283.48**	**5,756.18**	**277.33**
Total Interest	**6,116.69**		**6,033.51**	

19. Fees and Commission Income (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loan Processing fees Income	87.09	1.31
Total	**87.09**	**1.31**

20. Net gain on fair value changes (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit on Sale of Current Investment	37.58	25.36
Total	**37.58**	**25.36**

21. Other Income (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income on Financial Gurantee given to banks on behalf of Subsidiary	295.71	229.02
Income from Loan	84.78	65.57
Total	**380.49**	**294.59**

22. Finance Costs (on financial liabilities measured at amortized cost) (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Borrowings	725.72	877.37
Interest on Debt Securities	776.27	842.41
Interest on Subordinated Liabilities	74.88	75.12
Other interest expense	160.60	93.92
Other Borrowing Costs	51.54	108.91
Total	**1,789.01**	**1,997.74**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

23. Impairment of Loan Assets (on financial assets measured at FVOCI) (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bad debts written off (Net)	655.95	408.35
Expected Credit Loss (Net)	77.54	1,383.63
Total	**733.49**	**1,791.98**

23.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.2 of Financial Statement.

24. Employee Benefit Expenses (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	1,192.24	1,090.57
Contribution to provident and other funds	63.52	51.71
Gratuity	10.96	12.01
Staff welfare expenses	13.06	12.05
Total	**1,279.78**	**1,166.34**

24.1 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 ₹ Nil (March 31, 2020: ₹ Nil) 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

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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:

(₹in Lakhs)

	Reconciliation of opening and closing balances of defined benefit obligation	Year ended March 31, 2022	Year ended March 31, 2021
I	**Opening Defined Benefit Obligation**	**39.26**	**36.76**
	Transfer in/(out) obligation	-	-
	Current service cost	8.87	10.13
	Interest cost	2.12	2.07
	Components of actuarial gain/losses on obligations:		
	Due to Change in financial assumptions	(0.82)	0.52
	Due to change in demographic assumption	-	-
	Due to experience adjustments	(8.20)	(9.52)
	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	(1.18)	(0.71)
	Closing Defined Benefit Obligation	**40.05**	**39.26**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

II	Reconciliation of plan assets	Year ended March 31, 2022	Year ended March 31, 2021
	Opening value of plan assets	**0.06**	**1.54**
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.04	0.19
	Return on plan assets excluding amounts included in interest income	(0.78)	(1.73)
	Assets Distributed on settlements	-	-
	Contribution by the company	2.00	0.76
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	(1.18)	(0.71)
	Fair value of plan assets at the end of the year	**0.13**	**0.05**

(₹in Lakhs)

III	Reconciliation of net defined benefit liability	Year ended March 31, 2022	Year ended March 31, 2021
	Net opening provision in books of accounts	39.20	35.21
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per note 24	10.96	12.02
	Amounts recognized in Other Comprehensive Income	(8.24)	(7.27)
		41.92	**39.96**
	Benefits paid by the Company	-	-
	Contributions to plan assets	(2.00)	(0.76)
	Closing provision in books of accounts	39.92	39.20

IV	Composition of plan assets	Year ended March 31, 2022	Year ended March 31, 2021
	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%**

(₹in Lakhs)

V	Expense recognised during the year	Year ended March 31, 2022	Year ended March 31, 2021
	Current service cost	8.88	10.13
	Interest cost	2.08	1.88
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	10.96	12.02

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

VI	Other comprehensive income	Year ended March 31, 2022	Year ended March 31, 2021
	Components of actuarial gains/losses on obligations:		
	Due to change in financial assumptions	(0.81)	0.52
	Due to change in demographic assumption	-	-
	Due to experience adjustments	(8.20)	(9.52)
	Return of plan assets excluding amounts included in interest income	0.78	1.73
	Components of defined benefits cost recognised in other comprehensive income	(8.23)	(7.27)

VII	Principal actuarial assumptions	Year ended March 31, 2022	Year ended March 31, 2021
	Discount rate (per annum)	6.40%	6.00%
	Rate of return on plan assets (per annum)	6.00%	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.

(₹in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	41.08	39.07	40.34	38.23
(% change compared to base due to sensitivity	2.57%	-2.43%	2.76%	-2.62%
Salary growth rate (- / + 0.5%)	39.06	41.07	38.22	40.33
(% change compared to base due to sensitivity	-2.45%	2.55%	-2.63%	2.74%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	40.78	39.34	40.10	38.45
(% change compared to base due to sensitivity)	1.84%	1.77%	2.16%	-2.05%

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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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 4.91 years.

Particulars	Cash flows (₹ Lakhs)	Distributions (%)
1st Following year	8.24	14.00%
2nd Following year	5.13	8.70%
3rd Following year	5.00	8.50%
4th Following year	4.39	7.50%
5th Following year	4.12	7.00%
Sum of years 6 to 10	17.35	29.50%

The future accrual is not considered in arriving at the above cash-flows

XI) The expected contribution for the next year is ₹10.58 Lakhs

25. Depreciation and Amortisation (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Property, Plant & Equipment	10.03	9.71
Amortisation of Intangible Asset	-	0.41
Total	**10.03**	**10.12**

26. Other Expenses (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Electricity & fuel charges	11.71	8.77
Repairs to Building	5.05	2.87
Insurance	4.45	6.95
Collection Expense	34.39	11.59
Rent (Refer Note 31)	58.89	47.15
Rates & taxes	20.70	7.75
Bank Charges	22.07	42.30
Stationery & printing	26.00	14.55
Advertisement expenses	0.69	0.39
Communication	14.83	10.07
Traveling & conveyance expenses	126.12	66.34
Professional fees	132.32	96.31
Auditor's Remuneration		
Audit fees	8.91	4.00
For Others	5.30	2.50
For Certifcation	0.48	0.71
	14.20	**6.50**
Corporate social responsibility expenditure (Refer Note 30)	23.85	28.96
Director sitting fees	6.55	5.15
Marketing & incentive expenses	91.61	43.53
General charges (including security charges & membership fees etc.)	85.66	49.21
Total	**679.57**	**449.10**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

27. Tax Expenses

The Components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	490.10	525.70
Adjustment in respect of current tax of prior years	-	6.36
Deferred tax	16.42	(392.31)
Total Tax Expense	**506.52**	**139.74**
Total tax charge		
Current Tax	490.10	532.06
Deferred Tax	16.42	(392.31)

27.1 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, 2022 and March 31, 2021 is, as follows: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax expense	2,129.96	939.48
Income tax rate (%)	0.25	0.25
Computed tax expense	**536.07**	**236.45**
Tax effect of :		
Exempted Items	(100.96)	(86.79)
Additional deduction	(20.88)	(31.33)
Non Deductible items	10.04	14.93
Adjustment on Account of Change in Tax Rate	(0.07)	0.08
Others	82.32	6.40
Tax expense Recognised in the Statement of Profit and Loss	**506.52**	**139.74**
Effective Tax Rate	20.93%	14.875%

28. Earnings per share

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Numerator used for calculating Basic Earning per share (PAT)	₹ Lakhs	1,623.44	799.73
Numerator used for calculating Diluted Earning per share (PAT)	₹ Lakhs	1,623.44	799.73
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	84,90,040.99	84,71,224.79
Employee Share Options	Shares	2,513.01	4,390.57
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	84,92,553.99	84,75,615.36
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	19.12	9.44
Diluted earnings per share	In ₹	19.12	9.44

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

28.1 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
March 31, 2022				
Numerator (₹ In Lakhs)	6,149.08	5,687.45	461.63	3,101.93
Denominator (₹ In Lakhs)	21,131.97	21,131.97	21,131.97	2,285.06
Ratio	**29.10%**	**26.91%**	**2.18%**	**135.75%**
March 31, 2021				
Numerator (₹ In Lakhs)	8,354.96	7,766.67	588.29	4,906.56
Denominator (₹ In Lakhs)	17,120.75	17,120.75	17,120.75	1,676.87
Ratio	**48.80%**	**45.36%**	**3.44%**	**292.60%**
% Variance	-40.37%	-40.67%	-36.43%	
Reason for variance (if above 25%)	**Due to increase in the Portfolio size & investment made in subsidary**			

29. Contingent liabilities not provided for: (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
(A) Contingent liabilities		
i) Guarantees given on behalf of subsidiary company : (Refer note below)		
a) To banks		
Amount of guarantees	23,850.00	23,250.00
Amount of loans outstanding	12,663.87	13,187.81
(B) Disputed Demand of Tax		
i) Income Tax Act (Company has paid under protest ₹177.78 Lakhs (P.Y. ₹177.78 Lakhs), which is shown under “Current Tax Liability (net) / Current Tax Asset (net)”	762.22	792.37
ii) TDS	-	-

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.

30. Corporate social responsibility (“CSR”) expenses:

The gross amount required to be spent by the Company during the year towards **CSR is ₹23.85 Lakhs (March 31, 2021: ₹29.13 Lakhs)** as per section 135 of the Act. Details of amount spent towards CSR as below.

(₹in Lakhs)

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)	8.59	15.26	-	23.85

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

Reason for shortfall in current year: Due to execution of ongoing project.

Nature of CSR activities: To provide financial support for construction of occupational therapy center and also provide healthcare support to the needy people of the society.

31. 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 Statement of Profit and Loss: (₹in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
Expenses related to short term lease	58.89	47.14

32. 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 a sets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – “Operating segments”.

33. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the 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. Other Directors and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Alok Prasad	Independent Director
Mr. K. D. Shah	Independent Director
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
Raaj Enterprise	Key Managerial personnel is proprietor

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

J. B. Patel & Co.	Key Managerial personnel is co-owner
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

Namra Holdings & Consultancy Services LLP — Key Managerial Personnel are partners

E. Details of Transactions with related parties carried out in the ordinary course of business: (₹in Lakhs)

Particulars	Year Ended March 31, 2022				
	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	295.71	-	-	-	295.71
Interest Income	99.64	-	-	-	99.64
Expenses					
Remuneration & perquisites Paid	-	62.22	-	-	62.22
Sitting fees	-	-	6.55	-	6.55
Interest expenses	-	4.61	74.05	35.60	114.26
Rent paid	-	-	0.21	-	0.21
Unsecured Loan					
Unsecured Loan Taken	-	43.80	579.83	515.00	1138.63
Unsecured Loan Repaid (Including Interest)	-	48.41	653.88	550.60	1252.89
Unsecured Loan Given	75,050.74	-	-	-	75,050.74
Unsecured Loan Given Received Back (Including interest)	75,178.76	-	-	-	75,178.76
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹6,696.97 Lakhs)	8,000.00	-	-	-	8,000.00

Particulars	Year Ended March 31, 2021				
	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	229.02	-	-	-	229.02
Interest Income	197.25	-	-	-	197.25
Expenses					
Remuneration & perquisites Paid	-	59.06	-	-	59.06
Sitting fees	-	-	5.15	-	5.15
Interest expenses	-	7.13	43.65	12.59	63.38
Rent paid	-	-	0.21	-	0.21
Unsecured Loan					
Unsecured Loan Taken	-	147.25	506.05	229.50	882.80
Unsecured Loan Repaid (Including Interest)	-	154.38	549.70	242.10	946.18
Unsecured Loan Given	63,964.55	-	-	-	63,964.55
Unsecured Loan Given Received Back (Including interest)	64,285.26	-	-	-	64,285.26
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹7,854.18 Lakhs)	11,350.00	-	-	-	11,350.00

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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	2021-22	2020-21
1	Namra Finance Limited	75,050.74	63,964.55

Unsecured loan Given Received Back (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Namra Finance Limited	75,178.76	64,285.26

ii. Unsecured Loans Taken and Repayments

Unsecured loan taken (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Aakash Patel (HUF)	189.58	180.80
2	Jayendra Patel	41.50	101.00
3	Jayendra Patel (HUF)	121.00	106.00
4	Ritaben Patel	240.25	194.00
5	Namra Holdings & Consultancy Services LLP	515.00	229.50

Unsecured loan repayments (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Aakash Patel (HUF)	216.18	195.36
2	Jayendra Patel	45.76	105.25
3	Jayendra Patel (HUF)	135.88	115.48
4	Ritaben Patel	268.77	210.78
5	Namra Holdings & Consultancy Services LLP	550.60	242.10

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

iii. Income

Corporate Financial Guarantee Income (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Namra Finance Limited	295.71	229.02

Interest Income (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Namra Finance Limited	99.64	197.25

iv. Expenses

Interest expenses (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Namra Holdings & Consultancy Services LLP	35.60	12.59
2	Aakash Patel (HUF)	26.59	14.56
3	Jayendra Patel (HUF)	14.88	9.48
4	Ritaben Patel	28.52	16.78

Remuneration and perquisites (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Jayendra Patel	20.13	19.92
2	Aalok Patel	9.96	9.96
3	Vivek Modi (C.F.O.)	26.40	24.00

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

Sitting fees Paid (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Ritaben Patel	0.75	1.00
2	Alok Prasad	1.72	1.23
3	Ramakant Nagpal	1.67	1.08
4	K. D. Shah	0.57	1.15
5	Geetaben Solanki	0.85	0.58
6	Yash Shah	0.97	-

Rent paid (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	J. B. Patel & Co.	0.21	0.21

v. Investments in subsidiary (Namra Finance Limited) during the year (₹in Lakhs)

SRN	Particulars	2021-22	2020-21
1	Investment in equity shares	2,753.90	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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	2021-22	2020-21
1	Aalok Patel	0.83	1.69
2	Jayendra Patel	4.64	3.36
3	Vivek Modi	2.20	2.00
4	Jaimish Patel	0.48	0.43

ii) Outstanding Debit Balance of Related Parties are as follows (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Namra Finance Limited	0.00	128.02

iii) Investments in subsidiary company (₹in Lakhs)

SRN	Name of relative	2021-22	2020-21
1	Namra Finance Limited	9,304.05	6,518.84

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

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, 2022	Year Ended March 31, 2021
Post-employment benefits	2.05	0.83
Share Based Payment	8.69	8.06
Total	**9.52**	**8.89**

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

35. Public Disclosure on Liquidity Risk for the year ended March 31, 2022 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*
As at March 31, 2022	4	10,385.29	-	57.98%
As at March 31, 2021	4	9,946.15	-	66.16%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (₹in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 20 large deposits	-	-
Percentage of amount of top 20 large deposits to total deposits	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(iii) Top 10 borrowings (₹in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings*	17,394.04	14,013.63
Percentage of amount of top 10 borrowings to total borrowings	97.11%	93.21%

*Includes securitisation liabilities exposure

(iv) Funding concentration based on significant instrument/product² (₹in Lakhs)

Sr. No.	Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
		Amount	% of Total Liabilities³	Amount	% of Total Liabilities³
1	Redeemable non-convertible debentures (secured and unsecured)	6780.00	37.85%	6530.00	43.33%
2	External commercial bond	-	-	-	-
3	Term loan from banks	3482.30	19.44%	1694.44	11.27%
4	Term loan from financial institutions/ Corporates	6188.51	34.55%	2703.36	17.98%
5	External commercial borrowing	-	-	-	-
6	Other loans - Securitisation liabilities	-	-	425.27	2.83%
7	Deposits	-	-	-	-
8	Subordinated debts	-	-	500.00	3.33%
9	Short term Funding (C.C.)	1461.38	8.16%	3181.29	21.16%

(v) Stock ratios:

Sr. No.	Particulars	As at March 31, 2022			As at March 31, 2021		
		As % of total public Funds⁴	As % of total liabilities³	As % of total assets	As % of total public Funds⁴	As % of total liabilities³	As % of total assets
(a)	Commercial papers	-	-	-	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	21.24%	20.27%	11.54%	17.85%	17.20%	9.54%
(c)	Other short-term liabilities5	41.24%	39.37%	22.42%	49.54%	47.74%	26.47%

***Notes:**

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 10% 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 10% 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, 2022 and March 31, 2021.

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36. The Amount expected to be Recovered or Setteled 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, 2022			As at March 31, 2021		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	3,101.93	-	**3,101.93**	4,906.56	-	**4,906.56**
Bank Balance other than above	2	666.52	90.00	**756.52**	1,478.21	300.25	**1,778.46**
Loans	3	13,718.95	5,110.56	**18,829.51**	10,951.24	4,223.36	**15,174.60**
Investments	4	-	9,304.06	**9,304.06**	-	6,171.85	**6,171.85**
Other Financial assets	5	59.82	50.01	**109.83**	133.80	8.37	**142.17**
Non-financial Assets							
Current tax assets (Net)	6	17.40	-	**17.40**	-	-	**-**
Deferred tax Assets (Net)	7	463.64	-	**463.64**	438.49	(0.09)	**438.40**
Property, Plant and Equipment	8	-	81.22	**81.22**	-	75.87	**75.87**
Other Intangible assets	8	-	0.40	**0.40**	-	0.40	**0.40**
Intangible assset under development	8	-	2.62	**2.62**	-	-	**-**
Other non-financial assets	9	71.75	-	**71.75**	10.81	-	**10.81**
Total Assets		**18,100.01**	**14,638.87**	**32,738.87**	**17,919.11**	**10,780.01**	**28,699.12**
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Debt Securities	10	3,779.62	2,948.95	**6,728.57**	2,737.88	3,746.15	**6,484.03**
Borrowings (Other than Debt Securities)	11	7,299.62	3,270.34	**10,569.96**	7,073.74	1,277.97	**8,351.71**
Subordinated Liabilities	12	-	500.00	**500.00**	-	500.00	**500.00**
Other financial liabilities	13	482.83	15.25	**498.08**	452.61	25.50	**478.11**
Non-Financial Liabilities							
Provisions	14	10.58	29.35	**39.93**	8.88	30.32	**39.20**
Current Tax Liabilities (Net)	6	-	-	**-**	38.80	-	**38.80**
Other non-financial liabilities	15	30.59	276.45	**307.04**	24.05	-	**24.05**
EQUITY							
Equity Share capital	16	-	849.16	**849.16**	-	848.84	**848.84**
Other Equity	17	-	13,246.14	**13,246.14**	-	11,934.38	**11,934.38**
Total Liabilities and Equity		**11,603.24**	**21,135.63**	**32,738.87**	**10,335.96**	**18,363.16**	**28,699.12**

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37. Fair Value Measurements:

A. Financial instrument by category and their fair value (₹ in Lakhs)

As at March 31, 2022	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value								
Loans	3	-	20,930.41	-	-	20,930.41	-	20,930.41
Financial Assets Not Measured at Fair value								
Cash and Cash Equivalents	1	3,101.93	-	-	-	-	-	-
Bank Balances other than cash and Cash Equivalent	2	756.52	-	-	-	-	-	-
Investment In Subsidiary	4	9,304.06	-	655.88	-	-	8,648.18	-
Security Deposits	5	69.54	-	-	-	-	-	-
Other Advance	5	6.18	-	-	-	-	-	-
Interest Due but not Received on Loans and Advances	5	285.91	-	-	-	-	-	-
Interest Accrued but not due on Bank Deposits	5	5.49	-	-	-	-	-	-
Total		**13,529.62**	**20,930.41**	**655.88**	**-**	**20,930.41**	**8,648.18**	**20,930.41**
Financial Liabilities Not Measured at Fair value								
Debt Securities	10	6,728.57	-	-	-	-	6,728.57	6,728.57
Borrowings (Other than Debt Securities)	11	10,569.96	-	-	-	-	10,569.96	10,569.96
Subordinated Liabilities	12	500.00	-	-	-	-	500.00	500.00
Other financial liabilities	13	498.08	-	-	-	-	498.08	498.08
Total Financial Liabilties		**18,296.61**	**-**	**-**	**-**	**-**	**18,296.61**	**18,296.61**

As at March 31, 2021	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value								
Loans	3	128.02	15,291.25	-	-	15,291.25	-	15,291.25
Financial Assets Not Measured at Fair value								
Cash and Cash Equivalents	1	4,906.56	-	-	-	-	-	-
Bank Balances other than cash and Cash Equivalent	2	1,778.46	-	-	-	-	-	-
Investment In Subsidiary	4	6,171.85	-	281.39	-	-	5,890.47	-
Security Deposits	5	34.80	-	-	-	-	-	-
Other Advance	5	2.37	-	-	-	-	-	-
Interest Due but not Received on Loans and Advances	5	244.66	-	-	-	-	-	-
Interest Accrued but not due on Bank Deposits	5	12.19	-	-	-	-	-	-
Total		**13,278.91**	**15,291.25**	**281.39**	**-**	**15,291.25**	**5,890.47**	**15,291.25**
Financial Liabilities Not Measured at Fair value								
Debt Securities	10	6,484.03	-	-	-	-	6,484.03	6,484.03
Borrowings (Other than Debt Securities)	11	8,351.71	-	-	-	-	8,351.71	8,351.71
Subordinated Liabilities	12	500.00	-	-	-	-	500.00	500.00
Other financial liabilities	13	478.11	-	-	-	-	478.11	478.11
Total Financial Liabilties		**15,813.85**	**-**	**-**	**-**	**-**	**15,813.85**	**15,813.85**

The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Security Deposits, other Advances, interest Due but not received on loans and advances and Interest Accrued but not due on Bank Deposits and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

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B Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

"The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last 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.

C 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.

C.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

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C.2 Regulatory capital **(₹ In Lakhs)**

Particulars	March 31, 2022	March 31, 2021
Tier 1 Capital	5,687.45	7,766.67
Tier 2 Capital	461.63	588.29
Risk Weighted Assets	6,149.08	8,354.96
Tier 1 Capital Ratio (%)	26.91%	45.36%
Total Capital Ratio (%)	29.10%	48.80%

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).

38. 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: (₹in Lakhs)

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Retail assets (Refer Note 3)	18,829.51	14,987.25
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	128.02
Total	**18,829.51**	**15,115.26**

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

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

a TW Loans

b SME Loans

c Retail Asset Channel Loans

Staging:

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

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

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

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. 'TheExpected 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.

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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."

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Changes in ECL allowances in relation to loans from beginning to end of reporting period: (₹in Lakhs)

	31st March 2022	31st March 2021
Opening provision of ECL	1,842.88	600.84
Addition during the year	1,926.95	2,013.79
Utilization / reversal during the year	1,954.85	(771.75)
Closing provision of ECL	5,724.68	1,842.88

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 29.10% against regulatory norms of 15%. Tier I capital is 26.91% as against requirement of 10%. Tier II capital is 2.18% 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 ₹1,730 Lakhs spread across 4 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. (₹in Lakhs)

	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, 2022									
Debt Securities (Refer Note 10)	-	-	-	-	4,779.62	2,000.38	-	-	6,780.00
Borrowings & Subordinated Liabilities (Refer Note11 & 12)	1,783.36	350.01	421.99	1,390.14	2,354.11	4,691.14	27.78	-	11,018.53
Trade Payables	-	-	-	-	-	-	-	-	-
As at March 31, 2021									
Debt Securities (Refer Note 10)	-	-	-	-	2,737.88	3,746.15	-	-	6,484.03
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	4,248.78	351.61	270.75	929.24	1,273.36	1,277.97	500.00	-	8,851.71
Trade Payables	-	-	-	-	-	-	-	-	-

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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, 2022	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits	741.25	741.25
Impact on profit for the year	3.71	(3.71)
Variable Rate Borrowings	10,569.96	10,569.96
Impact on profit for the year	(52.85)	52.85

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.

39. Stock Option Scheme

The Company has instituted 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"), pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.

During the year ended March 31, 2022, Company has granted 2,000 new stock options (P.Y. 3,500) under the scheme of 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"). The details are as under.

Details of grant and exercise of such options are as follows:

Scheme	ESOP-2016									
Tranches	ESOP-2016 -1			ESOP-2016 -2			ESOP-2016 -3		ESOP-2016 -4	ESOP-2016-5
No. of options granted	97,500			9,000			2,500		3,500	2,000
Date of grant	May 26, 2017			May 25, 2018			October 13, 2018		February 12, 2021	February 14, 2022
No of Employees	55			3			1		6	2
Financial Year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	49	48	45	2	2	2	1	1	-	-
No. of options exercised	27,645	26,595	34,340	2,400	2,400	3200	750	750	-	-

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Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; and February 14, 2022
Date of board meeting, where ESOP were approved	11 August 2016
Date of committee meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; and February 14, 2022
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,14,500 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 Year 2 – 30% End of Year 3 – 40% End of Year 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

Details of Vesting and Exercise of Options (ESOP 2016):

Vesting Date	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

The following table sets forth a summary of ESOP 2016:

Particulars	2021-22	2020-21
Options outstanding at the beginning of the year	7,700	42,410
Vested but not exercised at the beginning of the year	-	-
Granted during the year	2,000	3,500
Forfeited during the year	2,000	400
Exercised during the year	3,200	37,490
Expired during the year	-	320
Outstanding at the end of the year	4,500	7,700
Exercisable at the end of the year	4,500	7,700
Weighted average exercise price per option	₹50/-	₹50/-

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Scheme	ESOP-2016				
Tranches	**ESOP-2016 -1**	**ESOP-2016 -2**	**ESOP-2016 -3**	**ESOP-2016 -4**	**ESOP-2016 -5**
Date of grant	26.05.2017	25.05.2018	13.10.2018	12.02.2021	14.02.2022
Date of Board approval	11.08.2016				
Date of Shareholder's approval	22.09.2016				
Number of options granted	97,500	9,000	2,500	3,500	2,000
Exercise price	₹50/-				
Method of Settlement	Through allotment of one equity share for each option granted.				
Vesting period	I. 30% of the options at the end of one year from the date of grant; II. 30% of the options at the end of the two years from the date of grant; III. 40% of the Options at the end of the three years from the date of grant.				
Exercise period	3 months from the date of vesting				
Vesting conditions	The Option holders are required to continue to hold the services being provided to the Company at the time of exercise of options.				
Name of the plan	'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016")				

40. The Board of Directors has not recommended any dividend for the financial year 2021-22.

41. 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	18,711.12	390.57	18,320.55	75.65	314.92
	Stage 2	378.36	133.96	244.40	1.76	132.20
Subtotal		**19,089.48**	**524.53**	**18,564.95**	**77.41**	**447.12**
B. Non-Performing Assets						
Sub standards	Stage 3	1,284.37	997.70	286.67	129.59	868.11
Doubtful upto 1 year	Stage 3	307.72	292.75	14.97	269.13	23.62
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Subtotal for Doubtful						
Loss	-	-	-	-	-	-
Subtotal for NPA		**1,592.09**	**1,290.45**	**301.64**	**398.72**	**891.73**
Total	Stage 1	18,711.12	390.57	18,320.55	75.65	314.92
	Stage 2	378.36	133.96	244.40	1.76	132.20
	Stage 3	1,592.09	1,290.45	301.64	398.72	891.73
		20,681.57	**1,814.98**	**18,866.59**	**476.13**	**1338.85**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

42. 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, 2022	March 31, 2021
(i)	CRAR (%)	28.99%	48.80%
(ii)	CRAR Tier I Capital (%)	26.91%	45.36%
(iii)	CRAR Tier II Capital (%)	2.08%	3.44%
(iv)	Amount of subordinated debt raised as Tier-II Capital	500.00	500.00
(v)	Amount raised by issue of perpetual debt instruments	-	-

B. Investments (₹in Lakhs)

Particulars	March 31, 2022	March 31, 2021 (Restated)
(1) Value of investments	9,304.05	6,560.09
(i) Gross value of investments		
(A) In India	9,304.05	6,560.09
(B) Outside India	-	-
(ii) Provision for deprecation		
(A) In India	-	-
(B) Outside India	-	-
(iii) Net value of investments		
(A) In India	9,304.05	6,560.09
(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: (₹in Lakhs)

Sr No	Particulars	As at March 31, 2022	As at March 31, 2021
1)	No of SPVs sponsored by the company for securitization transactions	-	-
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	-	-
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	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

b) On-balance sheet exposures		
• First loss	-	-
• 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	-	-

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:

(₹in Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	No. of Accounts	-	-
ii)	Book value of loans assets assigned during the year	-	-
iii)	Sale consideration received during the year	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Interest spread recognised in the statement of profit and loss during the year (including amortisation of unamortised interest spread)	-	-

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, 2022

H. Assets Liability Management

Maturity pattern of certain Assets and Liability as on March 31, 2022 (₹in Lakhs)

Particulars	Up to 30/31 days	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 year	Total
Deposits	-	-	-	8.34	-	-	50.01	-	58.35
Advances	1245.00	1238.00	1226.00	3561.00	6448.95	4843.00	267.56	-	18829.51
Investments	-	-	-	-	-	-	-	9304.06	9304.06
Cash & cash equivalents	3101.93	-	-	-	-	-	-	-	3101.93
Bank balance other than above	15.27	-	-	120.25	530.99	50.00	40.00	-	756.51
Borrowings	1783.36	350.01	421.99	1390.14	7133.73	6991.52	27.78	-	17798.53
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 2019: **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, 2022

P. Rating assigned by credit rating agencies and migration of ratings during the year

For FY 2021-22

Deposit Instruments	Name of rating agency	Date of Rating	Rating assigned	Valid up to	Borrowing limits or conditions imposed by rating agency
Long Term Bank Facility	Acuite Rating & Research	08-11-2021	Acuite A- (Stable)	07-11-2022	70.00 Crore

For FY 2020-21

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to	Borrowing limits or conditions imposed by rating agency
Long Term Bank Facility	CARE	12-10-2020	CARE BBB+; Stable (Triple B Plus Outlook: stable)	11-10-2021	67.54 Crore
Fund Based Short Term Facility	CARE	12-10-2020	Care A2 (A Two)	11-10-2021	5.00 Crore
Non-Convertible Debenture	CARE	12-10-2020	CARE BBB+; Stable (Triple B Plus Outlook: stable)	11-10-2021	27.50 Crore
Non-Convertible Debenture	CARE	25-02-2020	CARE BBB+; Stable (Triple B Plus Outlook: stable)	24-02-2020	37.80 Crore

Q. Remuneration of Directors

Refer Note no. 33 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: (₹in Lakhs)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss.	As at March 31, 2022	As at March 31, 2022
Provision towards impaired assets (Stage3)	308.15	795.28
Provision made towards income tax	490.10	532.06
Provision towards impaired assets (Stage1 and 2)	(336.05)	446.76
Provision towards Interest Receivable on credit impaired assets	105.44	141.59
Provision for employee benefits	10.96	12.01

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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, 2022	% of Stage 3 assets to Total Advances in that sector as at March 31, 2021
MSME	7.88%	6.14%
Auto Loans	6.89%	8.34%

CC. Movement of Stage 3 Assets: (₹in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net stage 3 assets to net advances (%)	1.65%	1.00%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	1,131.11	357.13
(b) Additions during the year	1,464.86	1,465.47
(c) Reductions during the year	(989.42)	(691.71)
(d) Closing balance	1,606.55	1,131.11
(iii) Movement of net stage 3 assets		
(a) Opening balance	148.80	170.10
(b) Additions during the year	220.87	21.90
(c) Reductions during the year	(53.58)	(43.20)
(d) Closing balance	316.09	148.80
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	982.31	187.03
(b) Additions during the year	1,243.99	1,429.49
(c) Reductions during the year	(935.84)	(634.21)
(d) Closing balance	1290.45	982.31

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

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

EE. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	1	-
c)	No. of complaints redressed during the year	1	-
d)	No. of complaints pending at the end of the year	-	-

43. 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: (₹in Lakhs)

Sr No.	Particulars	Year ended March 31, 2022	
		Amount outstanding	Amount Overdue
a)	Debentures : Secured	6728.56	-
	: Unsecured (Other Than falling within the meaning of public deposits*)	-	-
b)	Deferred Credits	-	-
c)	Term Loans	9108.56	-
d)	Inter-Corporate Loans and borrowings	-	-
e)	Commercial Paper	-	-
f)	Other loans:		
	From Banks	1,961.38	-
	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): (₹in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2022	
		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	-	-

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below) (₹in Lakhs)

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
a)	Secured	4,226.31
b)	Unsecured	14,603.20

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities (₹in Lakhs)

Sr. No.	Particulars	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors:	
	Financial Lease	-
	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 repossed	-
	b) Loans other than a) above	-

E. Break-up of Investments

Refer Note 42 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above: (₹in Lakhs)

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	4,226.31	14,603.20	18,829.51
	Total	**4,226.31**	**14,603.20**	**18,829.51**

** 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): (₹in Lakhs)

Sr No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	Related parties**		
	a) Subsidiaries (Refer Note Below)	16,200.92	9,304.05
	b) Companies in the same group	-	-
	c) other related parties	-	-
2	Other than related parties	-	-
	Total	16,200.92	9,304.05

Notes Forming Part of the Standalone Financial Statements
for the year ended March 31, 2022

**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, 2022.

H. Other Information: (₹in Lakhs)

Sr. No	Particulars	Amount
(i)	Gross non-performing Assets	
	a) Related parties	-
	b) Other than related parties	1290.45
(ii)	Net non-performing assets	
	a) Related parties	-
	b) Other than related parties	316.10
(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.

44. 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.

45. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

Signature to notes "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]
UDIN: 22188150ALRUQQ4546

Place: Ahmedabad
Date: 30.05.2022

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 • Account Statements • Notes

DIRECTOR'S REPORT

Dear Members

Your directors have pleasure in presenting the 10th Director's Report of your Company together with the Audited Financial Statement for the year ended on March 31, 2022.

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	2021-22	2020-21
Total Revenue	17,304.29	13,575.40
Finance Charges	7,285.89	6,122.02
Depreciation	85.25	70.85
Net Profit Before Tax	2,717.57	465.90
Current Tax	1,005.00	564.00
Deferred Tax (Asset)/Liability	(132.26)	(588.99)
Sort/(Excess) provision of income tax of earlier year	0.28	-
Net Profit After Tax	1,844.55	490.89
Basic Earnings Per Share (In ₹)	6.10	1.81

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 ₹1021.88 Crores in FY 2021-22 as compared to ₹643.09 Crores in FY 2020-21, increased by 58.90 %.
- Disbursement was ₹840.00 Crores in FY 2021-22 as compared to ₹417.56 Crores in FY 2020-21, increased by 101.17%.
- Total income was ₹173.04 Crores in FY 2021-22 as compared to ₹135.75 Crores in FY 2020-21, increased by 27.47%.
- Profit before taxes was ₹27.18 Crores in FY 2021-22 as compared to ₹4.66 Crores in FY 2020-21, increased by 483.30%.
- Profit for the year attributable to owners of the Company was ₹18.45 Crores in FY 2021-22 as compared to ₹4.91 Crores in FY 2020-21, increased by 275.75%.
- Basic Earnings Per Share was ₹6.10 in FY 2021-22 as compared to ₹1.81 in FY 2020-21, increased by 237.88%.

3. DIVIDEND

In order to conserve capital to deal with the uncertain economic environment arising due to the outbreak of the COVID-19 pandemic, the Directors of your Company do not recommend any dividend payment at the ensuing Annual General Meeting ("AGM").

4. AMOUNTS TRANSFERRED TO RESERVES

The Board of the Company has transferred the amounts to reserves as under:

- Transfer to special reserve as required by section 45-IC of the Reserve Bank of India Act, 1934: ₹369 Lakhs.
- Transfer to general reserve: ₹1 Lakh.

5. 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.

6. 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 to "ACUITE A-"; (Triple A minus; outlook stable).

CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") at "CARE BBB+"; stable (Triple B plus; outlook stable). The Grading of the Company was also reaffirmed 'MFI 2+' (MFI two plus) by CARE Advisory Research & Training Limited during the year 2021-22.

7. 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, 2022.

8. LOANS, GUARANTEES AND INVESTMENTS

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.

9. 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.

10. 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.

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

11. MEETING OF THE BOARD / AUDIT COMMITTEE

The Board during the financial year 2021-22 met 6 (Six) 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:

Sl. No.	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

12. 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.

13. 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, 2022, 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, 2022 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.

14. 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.

15. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

M/s J. T. Shah & Co., Chartered Accountants, Ahmedabad (FRN No-109616W) were appointed as a Statutory Auditors of the Company with the approval of members at the 8th Annual General Meeting to hold office till the conclusion of the 10th Annual General Meeting. M/s J. T. Shah & Co., will complete their present term on conclusion of this (10th) AGM in terms Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

Based on the recommendation of the Audit Committee, the Board of Directors in their Meeting held on May 30, 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 this AGM till the conclusion of the 13th AGM subject to approval of the shareholders at ensuing AGM.

The Auditor's Report for FY 2021-22 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.: F19866 and Certificate of Practice No.: 31820) to undertake the Secretarial Audit of the Company for the financial year 2021-22.

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.

16. 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.

17. 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.

18. 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. The Audit Reports of Internal Auditor along with their 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.

19. 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.

20. 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.

21. 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 ->Dividend Distribution Policy.

Further, the details including Composition of the CSR Committee, the CSR Policy and the CSR Report are given at **"Annexure-2"**

22. 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 2021-22 is available on the website of the Company at https://namrafinance.com/corporategovernance.aspx -> Annual Return 2021-22

23. 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:

Expenditure in foreign currency: ₹222.29 Lakhs

Earnings in foreign currency: Nil

24. SHARES & SHARE CAPITAL

- **Authorized Share Capital:**

  The authorised share capital of the Company is ₹40,00,00,000/- divided into 4,00,00,000 ordinary 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.

- **Equity Share**

  During the year under review, the Company has allotted 28,25,000 equity shares of ₹10/- each at a premium of ₹34.40 amounting ₹12.54 Crores on July 13, 2021 and has allotted 32,60,000 equity shares of ₹10/- each at a premium of ₹36.00 amounting ₹14.99 Crores on December 8, 2021 on right basis to the Arman Financial Services Limited. Subsequent to the above two allotments, the paid-up share capital of the Company has increased to ₹33,26,00,000/-.

  Further, the Company has allotted has allotted 41,00,000 equity shares of ₹10/- each at a premium of ₹36.00 amounting ₹38.71 Crores on June 22, 2022 on right basis to the Arman Financial Services Limited. Subsequent to the said allotment, the paid-up share capital of the Company has increased to ₹37,36,00,000/-.

25. 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.

26. 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.

27. 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

Date: August 14, 2022
Place: Ahmedabad

Jayendra Patel
Chairman & Managing Director
DIN: 00011814

ANNEXURE-1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

(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, 2022 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, 2022 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.

Place: Ahmedabad
Date: August 14, 2022

For, **GKV & Associates,**
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 31820/19866
UDIN: A031820D000772131

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-1A

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.

Place: Ahmedabad
Date: August 14, 2022

For, **GKV & Associates,**
Company Secretary

Gautam Virsadiya
Proprietor
C. P. No. / F.C.S. No.: 31820/19866
UDIN: A031820D000772131

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):** ₹19,58,01,504/-

7. **(a) Two percent of average net profit of the company as per section 135(5):** ₹39,16,030/-

   (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): ₹39,16,030/-

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
₹2,51,000/-	₹36,65,030/-	April 25, 2022	-	-	-

(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 and CSR Registration Number
1	Providing educational support to the poor and needy children	Promoting Educational program	Yes	Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Madhya Pradesh, Bihar	Rural	3 Years	36.65 Lakhs	Nil	36.65 Lakhs	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	Public awareness platform to encourage and promote organ donation and execution	Promoting health care services	Yes	Maharashtra	Mumbai	2,51,000/-	No	Young Volunteer's Organisation	CSR00006367

(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): ₹39,16,030/-

(g) Excess amount for set off, if any: Not Applicable

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	2020-21	35,62,000/-	1,51,000/-	N.A.	N.A.	N.A.	34,11,000/-
2	2019-20	Not Applicable					
3	2018-19						

(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
1	FY31.03.2021_1	Providing support for treating the people suffering from various decease	2020-21	3 years	36,62,000	1,51,000	1,51,000	Ongoing

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

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, 2022**, the Statement of Profit and Loss (including the 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 significant 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, 2022, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of 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 Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw attention to Note 45 of the accompanying Standalone Financial Statements in respect of the extent to which the COVID-19 pandemic will impact the company's operations and financial performance is dependent on future developments, which are highly uncertain.

   Our opinion is not modified in respect of the above matters.

KEY AUDIT MATTERS

5. 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 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, 2022, the Company has financial assets (loans) amounting to ₹86,931.17 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognise 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, 2022. 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. Further, due to COVID Pandemic, the calculation of expected credit loss had further challenges as the future outcome is dependent on various events, the outcome of which is uncertain. The management has recognised a provision of ₹1191.09 Lakhs in the Statement of Profit and Loss for the year ended March 31, 2022. 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 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 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

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

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

   In connection with our audit of the financial statements, our responsibility is to read the other information 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

7. 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 the Statement of 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 provision 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 judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the 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.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

16. Further to our comments in **Annexure A,** as required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 principles generally accepted in India as specified under Section 133 of the Act read with the Companies (Indian Accounting Standard Rules) 2015, as amended.

    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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per **"Annexure B"** expressed an unmodified opinion.

    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 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 were no amounts which were 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, other than as disclosed in the notes to the accounts, 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 applied by us, nothing has come to our notice that has caused us to believe that the representations made under sub clause (i) and (ii) above contain any material misstatement.

v. The company has not declared or paid any dividend during the year as prescribed under Section 123 of the Act.

For, **For, J. T. Shah & Co.**
Chartered Accountants
[Firm Regd. No. 109616W]

(J. J. Shah)
Partner
[M. No. 45669]
UDIN: 22045669AJXJGY3747

Place: Ahmedabad
Date: May 30, 2022

ANNEXURE A to Independent Auditor's Report

on Financial Statements of Namra Finance Limited for the year ended on March 31, 2022

Referred to in paragraph 15 of our report of even date to the Members of Namra Finance Limited for the year ended March 31, 2022.

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.

(ii) The Company has maintained proper records showing full particulars of intangible assets o n the basis of available information.

(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 disclosed in the 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 Benami Transaction (Prohibition) 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) The sanctioned limit of working capital loans from Banks or Financial Institutions on the basis of security of current assets did not exceed rupees five Crores at any time during the year under audit and hence clause 3(ii)(b) of the Order is not applicable.

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, 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 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 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.

4. Loans, Investments and Gurantees:

The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 (the 'Act') with respect to grant of 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 by and large 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, 2022 for a period of more than six months from the date they became payable.

(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.

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) According to the information and explanation given to us and the records of the company examined by us, in our opinion, 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. Hence, clause 3 (ix)(d) of the Order is not applicable to the Company.

(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 utilised 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. The Company has complied with the requirements of section 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 fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit.

(b) No report under sub-Section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditor) Rules 2014 with the Central Government upto the date of this report.

(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:

(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 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:

(a) In respect of other than ongoing projects, the company has no unspent amounts which were required to be transferred to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act.

(b) Any amount remaining unspent under sub-section (5) of section 135 of the 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 Act.

For, **J. T. Shah & Co.**
Chartered Accountants
[Firm Regd. No. 109616W]

(J. J. Shah)
Partner
[M. No. 45669]
(UDIN: 22045669AJXJGY3747)

Place: Ahmedabad
Date: 30.05.2022

ANNEXURE B to Independent Auditor's Report

on Financial Statements of Namra Finance Limited for the year ended on March 31, 2022

Referred to in paragraph 16 (f) of our Report of even date to the Members of **Namra Finance Limited** for the year ended **March 31, 2022.**

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

We have audited the internal financial controls over financial reporting of Namra Finance Limited as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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.

Auditor's 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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.

OPINION

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, 2022, 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.

For, **J. T. Shah & Co.**
Chartered Accountants
[Firm Regd. No. 109616W]

(J. J. Shah)
Partner
[M. No. 45669]
(UDIN: 22045669AJXJGY3747)

Place: Ahmedabad
Date: 30.05.2022

Standalone Balance Sheet

as at March 31, 2022 (₹ in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and cash Equivalents	1	4,450.84	3,885.21
(b) Bank Balance other than (a) above	2	5,924.75	6,267.18
(c) Loans	3	86,931.17	59,275.44
(d) Investments	4	591.74	317.73
(e) Other Financial assets	5	1,189.84	624.51
(2) Non-financial Assets			
(a) Deferred tax Assets (Net)	6	1,187.38	898.27
(b) Property, Plant and Equipment	7	248.63	250.15
(c) Other Intangible assets	7	34.94	22.13
(d) Right-of-Use Assets	7	121.93	59.15
(e) Other non-financial assets	8	39.77	14.32
Total Assets		**1,00,720.99**	**71,614.10**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) **(I) Other Payables**	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		117.77	76.09
(b) Debt Securities	10	12,779.03	11,276.52
(c) Borrowings (Other than Debt Securities)	11	66,391.50	44,657.86
(d) Subordinated Liabilities	12	2,000.00	1,000.00
(e) Other financial liabilities	13	2,799.41	1,948.98
(2) Non-Financial Liabilities			
(a) Current tax Liability (Net)	14	291.64	447.97
(b) Provisions	15	75.82	50.35
(c) Other non-financial liabilities	16	64.92	91.82
EQUITY			
(1) Equity Share capital	17	3,326.00	2,717.50
(2) Other Equity	18	12,874.92	9,347.00
Total Liabilities and Equity		**1,00,720.99**	**71,614.10**

See accompanying notes to the financial statements **1 to 47**

As per our report of even date attached herewith

For, **J. T. Shah & Co.,**
Chartered Accountants
[Firm Regd. No. 109616W]

[J. J. Shah]
Partner
[M.No.45669]
UDIN: 22045669AJXJGY3747

Place: Ahmedabad
Date: 30.05.2022

For, **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)

Standalone Statement of Profit & Loss

for the year ended March 31, 2022 (₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
(1)	**Revenue from operations**			
	Interest Income	19	16,069.89	12,727.87
	Gain on assignment of Financial Assets	20	579.07	-
	Fees and Commission Income	21	511.90	505.09
	Net gain on Fair Value Changes	22	128.92	340.39
	Total Revenue from operations (1)		**17,289.79**	**13,573.35**
(2)	**Other Income**	**23**	**14.50**	**2.05**
(3)	**Total Income (1+2)**		**17,304.29**	**13,575.40**
(4)	**Expenses**			
	Finance Costs	24	7,285.89	6,122.02
	Impairment of Financial Assets	25	2,999.69	3,667.23
	Employee Benefits Expenses	26	2,905.48	2,390.26
	Depreciation and Amortization	27	85.25	70.85
	Others expenses	28	1,310.41	859.13
	Total Expenses (4)		**14,586.72**	**13,109.50**
(5)	**Profit / (loss) before exceptional items and tax (3-4)**		**2,717.57**	**465.90**
(6)	**Tax Expense:**			
	(1) Current Tax	29	1,005.00	564.00
	(2) Short/(excess) Provision of Income Tax/Deffered Tax of earlier years	29	0.28	-
	(3) Deferred Tax	29	(132.26)	(588.99)
(7)	**Profit/(loss) for the period (5-6)**		**1,844.55**	**490.89**
(8)	**Other Comprehensive Income**			
	(A) (i) Items that will not be classified to Profit or loss			
	- Remeasurement of Defined Benefit Obligations		(5.95)	14.35
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.50	(3.61)
	Subtotal (A)		(4.46)	10.74
	(B) (i) Items that will be reclassified to profit or loss			
	- Fair Value Gain/(loss) on financial Assets measured through OCI		(617.25)	235.68
	(ii) Income tax relating to items that will be reclassified to profit or loss		155.35	(59.31)
	Subtotal (B)		(461.90)	176.36
	Other Comprehensive Income (A + B)		**(466.36)**	**187.10**
(9)	**Total Comprehensive Income for the period (7+8) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**1,378.19**	**677.99**
(10)	**Earnings per equity share (Face Value ₹ 10 per Equity Share)**			
	Basic (₹)	30	6.10	1.81
	Diluted (₹)	30	6.10	1.81

See accompanying notes to the financial statements **1 to 47**

As per our report of even date attached herewith

For, **J. T. Shah & Co.,**
Chartered Accountants
[Firm Regd. No. 109616W]

[J. J. Shah]
Partner
[M.No.45669]
UDIN:22045669AJXJGY3747

Place: Ahmedabad
Date: 30.05.2022

For, **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 Changes in Equity

for the year ended March 31, 2022

(₹ in Lakhs)

(A) Equity share capital (Refer Note 17)

Particulars	FY - 2021-22				
	Balance as at March 31, 2021	Changes in Equity share capital due to prior period errors	Restated Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Ordinary Equity share capital	2,717.50	-	2,717.50	608.50	3,326.00

Particulars	FY - 2021-21				
	Balance as at March 31, 2020	Changes in Equity share capital due to prior period errors	Restated Balance as at March 31, 2020	Changes during the year	Balance as at March 31, 2021
Ordinary Equity share capital	2,717.50	-	2,717.50	-	2,717.50

(B) Other equity (Refer note 18)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934"	Securities premium	Retained earnings	Capital Contribution from Holding		
		FY 2021-22						
Balance as at March 31, 2021	-	6.00	1,282.30	3,088.88	4,708.80	78.28	182.75	9,347.00
Change in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at March 31, 2021	-	6.00	1,282.30	3,088.88	4,708.80	78.28	182.75	9,347.00
Profit for the year	-	-	-	-	1,844.55	-	-	1,844.55
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(466.36)	(466.36)
Total Comprehensive Income for the period	-	-	-	-	1,844.55	-	(466.36)	1,378.19
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	369.00	-	(369.00)	-	-	-
Additions during the year in securities premium	-	-	-	2,145.40	-	-	-	2,145.40
Transfer during the year in General Reserve	-	1.00	-	-	(1.00)	-	-	-
Share based payment to employees (ESOP) (Refer note 17)	-	-	-	-	-	4.33	-	4.33
Balance as at March 31, 2022	-	7.00	1,651.30	5,234.28	6,183.35	82.61	(283.61)	12,874.92

Statement of Changes in Equity(Contd..)

for the year ended March 31, 2022

(₹ 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	Capital Contribution from Holding		
		FY 2020-21						
Balance as at March 31, 2020	-	5.00	1,184.30	3,088.88	4,316.90	77.30	(4.35)	8,668.03
Profit for the year	-	-	-	-	490.89	-	-	490.89
Other comprehensive income (net of taxes)	-	-	-	-	-	-	187.10	187.10
Total Comprehensive Income for the period	-	-	-	-	490.89	-	187.10	677.99
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	98.00	-	(98.00)	-	-	-
Addition on Holding company Share Based Payment to Employees	-	-	-	-	-	0.98	-	0.98
Transfer during the year in General Reserve	-	1.00	-	-	(1.00)	-	-	-
Balance as at March 31, 2021	-	6.00	1,282.30	3,088.88	4,708.80	78.28	182.75	9,347.00

As per our report of even date attached herewith

For, **J. T. Shah & Co.,**
Chartered Accountants
[Firm Regd. No. 109616W]

[J. J. Shah]
Partner
[M.No.45669]
UDIN:22045669AJXJGY3747

Place: Ahmedabad
Date: 30.05.2022

For, **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)

Standalone Statement Cash Flow

for the year ended March 31, 2022 (₹ in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A: Cash from Operating Activities:				
Net profit before taxation		2,717.57		465.90
Adjustment For:				
Depreciation and amortisation	57.35		56.07	
Depreciation on Right of Use Assets	27.90		14.79	
Interest Income	(16,069.89)		(12,727.87)	
Net gain on equity instruments measured through profit and loss	(17.69)		(23.63)	
Finance cost	7,265.81		5,896.20	
Provision for impairment on financial assets	1,191.09		2,428.54	
(Profit) / loss on sale of property, plant and equipment	0.57		-	
Gain On Assignment of Assets (Net of Expense)	(579.07)		-	
Loss / (Profit) on sale of Current Investment	(109.14)		(138.94)	
Remeaurement of define benefit plan Gain / (loss)	(5.95)		14.35	
Employee Stock Option Plan Expense	4.33		0.98	
Interest on shortfall of advance Tax	20.08		48.00	
		(8,214.62)		**(4,431.51)**
Operating profit before working Capital changes :		**(5,497.06)**		**(3,965.61)**
Adjustment For Increase /(Decrease) in Operating Assets:				
Loans and Advances	(29,483.88)		(5,651.68)	
Other Financial Assets	(579.71)		215.32	
Other Non Financial Assets	(25.46)		0.77	
Bank Balance other than Cash and cash equivalents	376.72		(2,986.87)	
Adjustment For Increase /(Decrease) in Operating Liability:				
Trade Payables	41.68		(1.91)	
Provision	25.47		5.58	
Other Non Financial liability	(26.90)		5.00	
Other Financial Liabilities	390.27	**(29,281.82)**	127.79	**(8,286.00)**
Cash Generated From Operations				
Interest Received	16,298.09		12,379.81	
Finance Cost	(6,694.43)		(5,814.31)	
Income tax paid (Net)	(1,192.60)		(244.35)	
		8,411.06		**6,321.15**
Net Cash From Operating Activities:		**(26,367.81)**		**(5,930.46)**
B: Cash Flow From Investment Activities:				
Purchase of Property, Plant & Equipment	(69.39)		(40.85)	
Purchase of Current investments	(41,046.03)		(25,925.00)	
Proceeds from Sale/redemption of investments	40,898.85		26,095.74	
Sale of Property, Plant & Equipment	0.18		-	
Net Cash from Investment Activities:		**(216.39)**		**129.89**
C: Cash Flow From Financing Activities :				
Proceeds from issue of share capital	2,753.90		-	
Share Issue Expense Paid	-		-	
Proceeds from debt securities and borrowings	60,435.37		35,877.46	
Repayments of Borrowings	(34,201.34)		(33,732.04)	
Net increase / (decrease) in working capital borrowings	(1,817.04)		1,744.02	
Repayment of Principal Component of Lease Liability (Net)	(21.06)		(11.60)	
Net Cash from Financing Activities:		**27,149.83**		**3,877.84**
Net Increase in Cash & Cash Equivalents (A+B+C)		**565.63**		**(1,922.73)**
Cash & cash equivalents at the beginning		**3,885.21**		**5,807.94**
Cash & cash equivalents at the end		**4,450.84**		**3,885.21**

As per our report of even date attached herewith

Notes :

1. **Cash and bank balance at the end of the year comprises:** **(₹ in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	76.67	105.26
Balance with Bank	4,374.16	3,779.95
Total	**4,450.84**	**3,885.21**
Bank deposit with original maturity of 3 months or less	-	-
Cash & cash equivalents as per Balance Sheet	**4,450.84**	**3,885.21**

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:** **(₹ in Lakhs)**

Particulars	March 31, 2021	Cash Flows	Non Cash Changes	March 31, 2022
Debt Securities (Refer Note:10)	11,276.52	1,531.54	(29.04)	12,779.03
Borrowing other than debt Securities (Refer Note: 11 & 12)	45,657.86	22,885.44	(151.81)	68,391.50
Total	**56,934.38**	**24,416.98**	**(180.84)**	**81,170.53**

As per our report of even date attached herewith

For, **J. T. Shah & Co.,**
Chartered Accountants
[Firm Regd. No. 109616W]

[J. J. Shah]
Partner
[M.No.45669]
UDIN:22045669AJXJGY3747

Place: Ahmedabad
Date: 30.05.2022

For, **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)

Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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) Investment in units of mutual funds at fair value through Profit & Loss ('FVTPL')

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

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The 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 38.

ii) Effective interest rate ("EIR") method

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.

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 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 SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. Effective Interest Rate ("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 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

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 para 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 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").

v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date. The Company enters into

derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

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, 2022 and March 31, 2021.

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 continue 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-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 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.

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.

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed

a) As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b) By considering all the contractual terms of the financial instrument in estimating the cash flows.

c) Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

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 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. 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 (three 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 Leases

Effective from April 1, 2019, the Company has adopted Ind AS-116 "Lease" retrospectively with the cumulative effect of applying this standard recognise at the date initial application.

Due to the same, the associated right-of-use assets are measured either at the carrying amounts as if the Standard has been applied since the commencement date or at the amount equal to the lease liability are included in and 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. Lease term includes periods of an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Short-term leases for the underlying asset is 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.

The cumulative effects due to the application of this standard were recognized on the commencement date of adoption in accordance with the transitional arrangements, the retrospective restatement of prior periods have not been applied.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right of use the asset.

Company as a lessee

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance Lease

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability. The Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

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.

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.

3.20 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated March 23, 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company.

The company will apply the amendments from April 1, 2022 being the effective date of the amendments:

- **Ind AS 101 – First-time adoption of Indian Accounting Standards:**

  The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from April 1, 2022. As the company has already adopted Ind AS. there is no impact of this amendment on the company.

- **Ind AS 103 – Business Combinations:**

  The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after April 1, 2022.

- **Ind AS 109 – Financial Instruments:**

  The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after April 1, 2022. The amendment has no impact on the financial statements of the company.

- **Ind AS 16 – Property, Plant and Equipment:**

  The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

- **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:**

  The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on April 1, 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

- **Ind AS 41 – Agriculture:**

  The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after April 1, 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

1. Cash and Cash Equivalent	As at March 31, 2022	As at March 31, 2021
Cash on hand	76.67	105.26
Balance with banks	4,374.16	3,779.95
Total	**4,450.84**	**3,885.21**

(₹in Lakhs)

2. Other Bank Balance	As at March 31, 2022	As at March 31, 2021
In fixed deposit accounts:		
Deposits with Banks	6,088.85	6,465.57
Less: Interest Accrued but not due on Bank Deposits (Disclosed in Note 5)	(164.10)	(198.38)
Total	**5,924.75**	**6,267.18**

2.1 Deposits includes deposits of ₹4,776.79 Lakhs (P.Y. ₹6,265.72 Lakhs) given as cash collateral security against bank borrowings.

(₹in Lakhs)

3. Loans	As at March 31, 2022	As at March 31, 2021
Unsecured Loans (At FVOCI)	92,120.31	63,253.59
Less : Interest Due but not received on loans (Refer Note 5)	(472.43)	(666.35)
	91,647.87	**62,587.24**
Less : Impairment Loss Allowance	(4,716.71)	(3,311.79)
	86,931.17	**59,275.44**
(1) Loans In India	86,931.17	59,275.44
(2) Loans Outside India	-	-
Total	**86,931.17**	**59,275.44**

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: (₹in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2020	**56,038.10**	**Stage 2**	**544.88**	**57,126.41**
New Assets originated*	39,058.49	2.06	-	**39,060.55**
Net transfer between stages				
Transfer from stage 1	(5,787.56)	2,514.92	3,272.64	-
Transfer from stage 2	8.57	(310.28)	301.72	-
Transfer from stage 3	2.06	1.16	(3.22)	-
Assets derecognised or collected	31,857.22	218.32	272.18	32,347.72
Write - offs	-	-	1,252.00	1,252.00
Gross carrying amount as at March 31, 2021	**57,462.44**	**2,532.97**	**2,591.82**	**62,587.24**
New Assets originated*	75,271.54	194.46	131.33	75,597.33

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

Net transfer between stages				
Transfer from stage 1	(4,772.96)	3,254.12	1,518.83	-
Transfer from stage 2	210.22	(1,366.04)	1,155.82	-
Transfer from stage 3	4.28	65.82	(70.11)	-
Assets derecognised or collected	43,976.33	183.17	368.73	**44,528.24**
Write - offs	219.19	214.90	1,574.37	**2,008.46**
Gross carrying amount as at March 31, 2022	**83,980.01**	**4,283.26**	**3,384.60**	**91,647.87**

***Note**: New assets originated are those assets which are disbursed during the year.

3.3 Reconciliation of ECL balance is given below: (₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2020	**516.03**	**248.87**	**544.88**	**1,309.78**
Addition During The Year	195.95	638.56	2,490.96	3,325.48
Reduction During The Year	(303.83)	(169.43)	(850.21)	(1,323.47)
Gross carrying amount as at March 31, 2021	**408.15**	**718.01**	**2,185.63**	**3,311.79**
Addition During The Year	301.56	1,327.04	2,551.30	4,179.90
Reduction During The Year	(193.89)	(723.56)	(1,857.53)	(2,774.98)
Gross carrying amount as at March 31, 2022	**515.82**	**1,321.49**	**2,879.40**	**4,716.71**

Note: : Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

(₹ in Lakhs)

4. Investments	**As at March 31, 2022**	**As at March 31, 2021**
A. At Fair Value Through Profit & Loss (FVTPL)		
In Mutual Funds		
9,27,603.39 Units (As at March 31, 2021 - 9,27,603.39 Unit) of SBI Credit Risk Fund -Regular -Growth	335.42	317.73
Total A: Investments at FVTPL	**335.42**	**317.73**
B. At Amortised Cost		
In Pass through certificates under securitization transactions		
1,87,87,291 Units (As at March 31, 2021 - Nil Unit) of HLF Sydney PTC , Face Value of ₹1/- each.	158.33	-
1,13,53,428 Units (As at March 31, 2021 - Nil Unit) Nabsam Albany PTC, Face Value of ₹1/- each.	97.99	-
Total B: Investments at Amorised Cost	**256.32**	-
Total	**591.74**	**317.73**
i) Investments in India	591.74	317.73
ii) Investments outside India	-	-
Total	**591.74**	**317.73**

4.1 Investments represents investments of ₹256.32 Lakhs (P.Y. ₹ Nil) given as collateral security against borrowing from Financial Institution.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

5. Other Financial Assets	**As at March 31, 2022**	**As at March 31, 2021**
Deposits	343.65	198.92
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	8.12	6.02
Other Advances	444.31	11.44
Interest accrued but not due on Bank Deposits (Refer Note 2)	164.10	198.38
Interest Due but not received on loans (Refer Note 3)	472.43	666.35
Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(242.77)	(456.60)
Total	**1,189.84**	**624.51**

5.1 Deposits include security deposits of ₹326.14 Lakhs (As at March 31, 2021 ₹181.08 Lakhs) given as collateral security against term loans and working capital loans.

5.2 Reconciliation of ECL balance is given below: (₹ in Lakhs)

Pariculars	**As at March 31, 2022**	**As at March 31, 2021**
Gross carrying amount at beginning of the year	**456.60**	**30.06**
Addition during the year	42.83	456.42
Reduction during the year	(256.66)	(29.87)
Gross carrying amount at the end of the year	**242.77**	**456.60**

5.3 There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

(₹ in Lakhs)

6. Deferred Tax	**As at March 31, 2022**	**As at March 31, 2021**
A. Deferred Tax Assets on account of:		
Provision for employee benefits	19.08	12.67
Financial assets measured at amortised cost	214.46	123.37
Share Issue Expense that are allowable for tax purpose in the year of payment	0.59	0.88
Proivision for CSR	9.22	-
Impairment on Financial assets	1,196.64	948.43
Total Deferred Tax Assets	**1,440.00**	**1,085.35**
B. Deferred Tax Liabilities on account of:		
Difference in written down value as per Companies Act and Income Tax Act	(6.58)	(5.98)
Financial liabilities measured at amortised cost	(145.81)	(100.29)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	**(2.04)**	(1.52)
Fair valuation of financial instruments through OCI	95.61	(59.74)
Interest Receivable on NPA	(61.10)	-
Fair valuation of Investment in Mutual Fund	(24.00)	(19.55)
Direct Assignment Income Receivable -DA	(108.69)	-
Total Deferred Tax Liabilities	**(252.62)**	**(187.08)**
At the end of year DTA / (DTL) (net)	**1,187.38**	**898.27**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

6.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(₹ in Lakhs)

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	12.67	4.91	1.50	19.08
Financial assets measured at amortised cost	123.37	91.09	-	214.46
Share Issue Expense that are alloable for tax purpose in the year of payment	0.88	(0.29)	-	0.59
Fair valuation of financial Assets through OCI	948.43	248.22	-	1,196.64
Provision for CSR	-	9.22	-	9.22
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(5.98)	(0.60)	-	(6.58)
Financial liabilities measured at amortised cost	(100.29)	(45.51)	-	(145.81)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(1.52)	(0.53)	-	(2.04)
Fair valuation of financial instruments through OCI	(59.74)	155.35	0.00	95.61
NPA Interest Receivable	-	(61.10)	-	(61.10)
Fair valuation of Investment in Mutual Fund	(19.55)	(4.45)	-	(24.00)
Direct Assignment Income Receivable -DA	-	(108.69)	-	(108.69)
Total (Net)	**898.27**	**287.61**	**1.50**	**1,187.38**

(₹ in Lakhs)

Particulars	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2021
Assets				
Provision for employee benefits	11.27	5.02	(3.61)	12.67
Financial assets measured at amortised cost	144.52	(21.15)	-	123.37
Share Issue Expense that are alloable for tax purpose in the year of payment	1.55	(0.67)	-	0.88
Fair valuation of Derivative Contract measured Through Profit & Loss Account	43.24	(43.24)	-	-
Impairment on financial asset	337.21	611.22	-	948.43
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(8.07)	2.09	-	(5.98)
Financial liabilities measured at amortised cost	(122.88)	22.58	-	(100.29)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	-	(1.52)	-	(1.52)
Fair valuation of financial instruments through OCI	(0.43)	-	(59.31)	(59.74)
Income Taxable on Realised Basis	(20.16)	20.16	-	-
Fair valuation of Investment in Mutual Fund	(14.05)	(5.49)	-	(19.55)
Total (Net)	**372.20**	**588.99**	**(62.93)**	**898.27**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

8. Property, Plant & Equipment

(₹ in Lakhs)

Carrying Value	Buildings	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Right of use assets
At March 31, 2020	**84.17**	**84.16**	**26.42**	**118.07**	**80.75**	**393.58**	**36.67**	**430.25**	**88.72**
Addition	-	13.09	0.32	15.34	-	28.75	12.10	40.85	-
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2021	**84.17**	**97.26**	**26.74**	**133.41**	**80.75**	**422.33**	**48.77**	**471.10**	**88.72**
Addition	-	14.58	5.94	27.76	-	48.29	21.10	69.39	90.68
Disposal	-	-	-	-	1.40	1.40	-	1.40	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2022	**84.17**	**111.84**	**32.68**	**161.17**	**79.35**	**469.21**	**69.87**	**539.08**	**179.40**
Accumulated Depreciation	**Buildings**	**Furniture & Fixtures**	**Office Equipments**	**Computers**	**Vehicles**	**Total Property, Plant & Equipment**	**Intangible Assets**	**Total Assets**	**Right of use assets**
At March 31, 2020	**1.86**	**18.28**	**7.61**	**64.84**	**30.37**	**121.10**	**19.79**	**140.89**	**14.79**
Change for the year	1.33	8.50	6.60	22.70	10.09	49.22	6.85	56.07	14.79
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2021	**3.19**	**26.78**	**14.22**	**87.54**	**40.46**	**172.17**	**26.64**	**198.81**	**29.57**
Change for the year	1.33	9.38	7.78	22.17	8.39	49.05	8.30	57.35	27.90
Disposal	-	-	-	-	0.65	0.65	-	0.65	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2022	**4.52**	**36.16**	**22.00**	**109.71**	**48.20**	**220.58**	**34.93**	**255.51**	**57.47**
Net Carrying Value									
At March 31, 2021	**80.98**	**70.48**	**12.52**	**45.87**	**40.30**	**250.15**	**22.13**	**272.29**	**59.15**
At March 31, 2022	**79.65**	**75.68**	**10.68**	**51.46**	**31.16**	**248.63**	**34.94**	**283.57**	**121.93**

(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 is no intangible assets are under development. There is no intangible assets are under development

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

8. Other Non - Financial Assets	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	6.51	6.49
Advances to staff	11.09	7.83
Balance with government authorities	22.18	-
Total	**39.77**	**14.32**

(₹ in Lakhs)

9. Other Payables	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of other than micro enterprises and small enterprises	117.77	76.09
Total	**117.77**	**76.09**

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:

(₹ in Lakhs)

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
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.	-	-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

9.2 Trade Payable ageing schedule :

(₹ in Lakhs)

As on March 31, 2022	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	117.77
Outstanding between 1 year to 2 Years	-	-	-	-
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

As on March 31, 2021	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	76.09
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.

(₹ in Lakhs)

10. Debt Securities (At Amortised Cost)	As at March 31, 2022	As at March 31, 2021
11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000/- each (2,22,654 Unit as at March 31, 2022, Nil Unit as at March 31, 2021)	2,226.54	-
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000/- each (34,550 Unit as at March 31, 2022, Nil Unit as at March 31, 2021)	3,455.00	-
13.10% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh each (Nil Unit as at March 31, 2022, 415 Unit as at March 31, 2021)	-	4,150.00
12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000/- each (48,750 Unit as at March 31, 2022, 48,750 Unit as at March 31, 2021)	4,875.00	4,875.00
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh each (2,350 Unit as at March 31, 2022, 2,350 Unit as at March 31, 2021)	2,350.00	2,350.00
Less: Unamortised borrowing costs	(127.51)	(98.48)
Total	**12,779.03**	**11,276.52**
i) Debt Securities In India	2,341.93	2,341.93
ii) Debt Securities Outside India	10,437.09	8,934.59
Total	**12,779.03**	**11,276.52**

10.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities (Refer Note 11.3)

(₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021	Terms of Redemption / Repayment	Security
415, 13.10% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh each	-	4,150.00	Bullet Payment at the end of 24 Months From 21 May 2019	Secured Under Hypothecation of Specific Asset Portfolio
2,350, Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh each	2,350.00	2,350.00	Bullet Payment at the end of 18 Months From 27 March 2021	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	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	2,226.54	-	Bullet Payment at the end of 24 Months From 11 March 2022	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	**12,906.54**	**11,375.00**		

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

11. Borrowings (Other than debt securities) (At Amortised Cost)	As at March 31, 2022	As at March 31, 2021
Term Loans - Secured		
(i) From Banks	35,909.55	21,022.89
(ii) From Financial Institutions	30,839.47	21,895.62
Less: Unamortised borrowing costs	(451.83)	(300.03)
	66,297.18	**42,618.48**
Loans Repayable On Demand From Banks - Secured	94.32	1,911.36
Short Term Loans - Unsecured		
From Related Parties	-	128.02
Total	**66,391.50**	**44,657.86**
i) Borrowings in India	62,278.09	40,562.42
ii) Borrowings Outside India	4,113.41	4,095.44
Total	**66,391.50**	**44,657.86**

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". Also some of the loans are guaranteed by Holding Company.

11.2 Interest:

Term loan carries an interest rate ranging from 6.43 % to 14.75% p.a.

Short Term Loans from Related Parties carries an interest rate of 10.00% p.a.

11.3 The Company has not defaulted in repayment of borrowings and interest thereon.

The Company has borrowed funds from banks and finacial institutions on the basis of security of book debts.It has filed quarterly returns or statements of book debts with banks and finacial institutions and the said returns/statements are in agreement with books of accounts.

11.4 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings: (₹in Lakhs)

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
415, 13.10% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh each	4,150.00	4,150.00	Bullet Payment at the end of 24 Months From 21 May 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
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 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, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
2,350, Market Linked Secured, Redeemable, Non Convertible Debenture of Rs.1 Lakh each	2,350.00	-	Bullet Payment at the end of 18 Months From 27 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Debt Securities	**11,375.00**	**4,150.00**		
Borrowings (other Than Debt Securities)				
Term Loan From Banks - 1	4,130.00	4,130.00	Bullet Payment at the end of the tenor	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 2	466.71	2,708.10	Repayable in 27 Months 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 - 3	1,420.00	2,500.00	Repayable in 21 Monthly installments Starting From 30th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 4	736.12	2,493.43	Repayable in 18 Monthly installments Starting From 17th April 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 5	989.72	2,159.03	Repayable in 18 Monthly installments Starting From 9th May 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 6	625.00	1,250.00	Repayable in 36 Months quarterly installments starting From 16 April 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 7	726.55	1,243.02	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 - 8	727.28	1,000.00	Repayable in 11 Quarterly installments Starting From 30th September 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 9	183.81	831.24	Repayable in 24 Months 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 - 10	306.61	649.83	Repayable in 36 Months Monthly installments starting From 02 February 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 11	-	500.00	Repayable in 36 Months quarterly installments starting From 30 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 12	194.42	361.10	Repayable in 36 Months 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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Banks - 13	-	272.73	Repayable in 24 Months Monthly installments starting From 30 December 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 14	3.59	264.81	Repayable in 24 Months Monthly installments starting From 30 April 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 15	-	241.36	Repayable in 36 Months Monthly installments starting From 30 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 16	-	187.50	Repayable in 24 Months Monthly installments starting From 29 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 17	-	178.00	Repayable in 24 Months Monthly installments starting From 30 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 18	-	43.04	Repayable in 36 Months Monthly installments starting From 06 August 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 19	2.70	9.68	Repayable in 36 Months Monthly installments starting From 15 April 2019	Secured Against the CAR
Term Loan From Banks - 20	929.59	-	Repayable in 18 Monthly installments Starting From 10th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 21	1,107.40	-	Repayable in 18 Monthly installments Starting From 15th Augustl 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 22	1,818.19	-	Repayable in 33 Months Monthly installments starting From 30th January 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 23	878.49	-	Repayable in 33 Months Monthly installments starting From 30th December 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 24	877.94	-	Repayable in 33 Months Monthly installments starting From 30th December 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 25	2,271.84	-	Repayable in 33 Months Monthly installments starting From 28th January 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 26	2,083.33	-	Repayable in 36 Months Monthly installments starting From 25th October 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Banks - 27	1,937.50	-	Repayable in 32 Months Monthly installments starting From 1st April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 28	1,636.36	-	Repayable in 22 Months Monthly installments starting From 10th December 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 29	500.00	-	Repayable in 22 Months Monthly installments starting From 10th June 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	5,500.00	-	Repayable in 22 Months Monthly installments starting From 5th February 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 31	2,807.73	-	Repayable in 12 Months Monthly installments starting From 25th April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 32	3,048.65	-	Repayable in 19 Months Monthly installments starting From 20th April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Total Loan From Banks	**35,909.54**	**21,022.89**		
Term Loan From Financial Institution - 1	1,500.00	5,000.00	Repayable in 2 installments of 35 Crore and 15 Crore on 31st December 2021 and 31st July 2022 respectively	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	1,458.25	2,291.65	Repayable in 36 Monthly installments Stating From 31 January 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	750.00	2,250.00	Repayable in 4 Half Yearly installments Stating From 31 October 2020	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	300.00	1,500.00	Repayable in 24 Months Monthly installments Stating From 10 June 2020	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	280.00	875.00	Repayable in 60 Months Half Yearly installments Stating 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 - 6	185.37	693.40	Repayable in 36 Months Monthly installments Stating From 22 August 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 7	-	647.31	Repayable in 36 Months Monthly installments Stating From 27 December 2018	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	-	500.06	Repayable in 36 Months Monthly installments Stating From 29 June 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 - 9	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 10	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 11	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 12	285.71	500.00	Repayable in 21 Monthly installments Stating From 10 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 - 13	-	388.00	Repayable in 9 Monthly installments Stating From 10 August 2020	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	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 15	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 16	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 17	243.06	350.00	Repayable in 36 Months Monthly installments Stating 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 - 18	46.45	308.09	Repayable in 24 Monthly installments Stating From 15 June 2020	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	46.45	308.09	Repayable in 24 Monthly installments Stating From 15 June 2020	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	-	250.13	Repayable in 36 Months Monthly installments Stating From 27 September 2018	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	-	176.87	Repayable in 36 Months Monthly installments Stating From 27 March 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 - 22	-	161.26	Repayable in 36 Months Monthly installments Stating From 27 February 2019	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

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Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 23	-	157.01	Repayable in 36 Months Monthly installments Stating From 29 April 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 - 24	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 25	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 26	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 27	104.17	150.00	Repayable in 36 Months Monthly installments Stating 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 - 28	-	146.44	Repayable in 36 Months Monthly installments Stating From 28 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 - 29	41.67	125.00	Repayable in 36 Months Monthly installments Stating From 25 October 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 - 30	41.67	125.00	Repayable in 36 Months Monthly installments Stating From 25 October 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 - 31	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 32	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 33	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 34	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 35	34.72	118.06	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 36	-	115.72	Repayable in 36 Months Monthly installments Stating From 29 April 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 - 37	44.34	114.53	Repayable in 36 Months Monthly installments Stating From 15 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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for the year ended March 31, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 38	-	113.91	Repayable in 24 Months Monthly installments Stating From 03 November 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 - 39	33.33	100.00	Repayable in 36 Months Monthly installments Stating From 25 October 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 - 40	-	98.86	Repayable in 36 Months Monthly installments Stating From 29 October 2018	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	-	88.89	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	13.04	87.16	Repayable in 36 months Monthly installments Stating From 15 April 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 - 43	-	83.33	Repayable in 36 Months Monthly installments Stating From 25 April 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 - 44	-	83.33	Repayable in 36 Months Monthly installments Stating From 25 April 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 - 45	-	83.33	Repayable in 36 Months Monthly installments Stating From 25 April 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 - 46	-	78.69	Repayable in 36 Months Monthly installments Stating From 27 December 2018	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	-	69.50	Repayable in 36 Months Monthly installments Stating From 27 November 2018	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	-	52.49	Repayable in 36 Months Monthly installments Stating From 27 December 2018	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	-	48.61	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 50	-	48.61	Repayable in 36 Months Monthly installments Stating From 25 September 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 - 51	-	35.06	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	-	33.33	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	-	33.33	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 54	-	33.33	Repayable in 36 Months Monthly installments Stating From 25 December 2018	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	864.76	-	Repayable in 20 Months Monthly installments Stating 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 - 56	1,500.00	-	Repayable in 2 bullet payment over 18 Months 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 - 57	1,400.00	-	Repayable in 10 Months Monthly installments Stating From 10th January 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	3,000.00	-	Repayable in 30 Months Monthly installments Stating 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 - 59	1,375.00	-	Repayable in 36 Months Monthly installments Stating 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 - 60	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 61	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 62	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 63	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 64	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 65	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 66	291.67	-	Repayable in 36 Months Monthly installments Stating 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 - 67	125.00	-	Repayable in 36 Months Monthly installments Stating 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 - 68	350.00	-	Repayable in 24 Months Monthly installments Stating 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, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 69	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 70	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 71	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 72	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 73	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 74	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 75	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 76	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 77	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 78	350.00	-	Repayable in 24 Months Monthly installments Stating 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 - 79	150.00	-	Repayable in 24 Months Monthly installments Stating 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 - 80	1,988.32	-	Repayable in 30 Months Monthly installments Stating 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 - 81	2,063.88	-	Repayable in 30 Months Monthly installments Stating 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 - 82	500.00	-	Repayable in 24 Months Monthly installments Stating 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 - 83	500.00	-	Repayable in 24 Months Monthly installments Stating 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 - 84	766.30	-	Repayable in 24 Months Monthly installments Stating From 31st 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, 2022

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd..):

Particular	March 31, 2022	March 31, 2021	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 85	2,986.52	-	Repayable in 15 months Months Monthly installments Stating 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 - 86	1,782.08	-	Repayable in 17 Months Monthly installments Stating 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.
Total Term Loan From Financial Institution	**30,839.47**	**21,895.62**		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	94.32	97.84	-	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	-	207.30	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and lien on investment in Mututal Funds.
Cash Credit Facility From Bank 3	-	1,606.21	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and lien on investment in Mututal Funds.
Total Loans repayable on demand from banks	**94.32**	**1,911.35**		

(₹ in Lakhs)

12. Subordinated Liabilities (At Cost)	As at March 31, 2022	As at March 31, 2021
15%, Unsecured Subordinated Term Loan in India	2,000.00	1,000.00
Total	**2,000.00**	**1,000.00**

12.1 Details of terms of Redemption/ Repayment in respect of Subordinated Liabilities: (₹ in Lakhs)

Particular	March 31, 2022	March 31, 2021	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 23rd June, 2017	Unsecured
Subordinated Term Loan From Bank - 2	1,000.00	-	50% Payment at the end of 66 Months from 30th Nov,2021 & remaining 50% Payment at the end of 72 Months fro 30th Nov,2021	Unsecured

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

13. Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on Borrowings	893.95	503.41
Salary & wages payable	332.99	329.36
Micro Insurance Payable	759.26	720.60
Unpaid expenses	53.49	27.25
Payable towards assignment transactions	622.88	301.15
Lease Liability - Right of Use Assets	136.82	67.20
Total	**2,799.41**	**1,948.98**

(₹in Lakhs)

14. Current Tax Liabilities / (Assets) (Net)	As at March 31, 2022	As at March 31, 2021
Provision for Tax	1,014.18	2,240.80
Less: Advance Tax and TDS	(733.44)	(1,792.83)
Total	**291.64**	**447.97**

(₹in Lakhs)

15. Provisions	As at March 31, 2022	As at March 31, 2021
Provision for employee benefit- gratuity	75.82	50.35
Total	**75.82**	**50.35**

(₹in Lakhs)

16. Other Non Financial Liabilities	As at March 31, 2022	As at March 31, 2021
Other statutory dues	23.31	33.29
TDS payable	41.61	58.53
Total	**64.92**	**91.82**

(₹in Lakhs)

17. Equity Share Capital	As at March 31, 2022	As at March 31, 2021
Authorized Shares		
4,00,00,000 (As at March 31, 2021, 3,00,00,000) Equity Shares of ₹10/- each fully paid up	4,000.00	3,000.00
Total	**4,000.00**	**3,000.00**
Issued, subscribed and fully paid-up shares:		
3,32,60,000 (As at March 31, 2021, 2,71,75,000) Equity Shares of ₹10/- each fully paid up	3,326.00	2,717.50
Total	**3,326.00**	**2,717.50**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2022 & March 31, 2021 is set out below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Ordinary Equity Shares:				
Outstanidng at the beinning of the year	2,71,75,000	2,717.50	2,71,75,000	2,717.50
Shares Issued during the year	60,85,000	608.50	-	-
Reduction during the year				
Outstanding at the end of the year	**3,32,60,000**	**3,326.00**	**2,71,75,000**	**2,717.50**

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 is 100% subsidiary of Arman Financial Services Limited (CIN:.L55910GJ1992PLC018623).

17.5 Details of equity shareholders holding more than 5 % equity shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2022		March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	3,32,60,000	100.00%	2,71,75,000	100.00%

17.6 Details of Promotors Shareholding of ordinary shares of the company are as follows :

Promotor Name	March 31, 2022		March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	3,32,60,000	100.00%	2,71,75,000	100.00%

(₹in Lakhs)

18. Other Equity (Refer Note 18.1)	As at March 31, 2022	As at March 31, 2021
A. Reserves and Surplus		
i. General Reserve		
Balance as per last financial statement	6.00	5.00
Add: Transfer from statement of profit and loss	1.00	1.00
Closing Balance	**7.00**	**6.00**
ii. Special Reserve u/s 45-IC of the RBI Act,1934		
Balance as per last financial statement	1,282.30	1,184.30
Add: Transfer from statement of profit and loss	369.00	98.00
Closing Balance	**1,651.30**	**1,282.30**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

iii. Securities Premium		
Balance as per last financial statement	3,088.88	3,088.88
Add: Share Premium on shares issued during the year	2,145.40	-
Less : Share issue Expenses	-	-
Closing Balance	**5,234.28**	**3,088.88**
iv. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	4,708.80	4,316.90
Add : Profit for the year	1,844.55	490.89
Less: Appropriations		
Amount transferred to General Reserve	1.00	1.00
Amount transferred to Special Reserve u/s 45-IC of RBI Act, 1934	369.00	98.00
Closing Balance	**6,183.35**	**4,708.80**
B. Other Comprehensive Income		
Balance as per last financial statement	182.75	(4.35)
Additions during the year	(466.36)	187.10
Closing Balance	**(283.61)**	**182.75**
C. Capital Contribution from Holding Company		
Balance as per last financial statement	78.28	77.30
Additions during the year	4.33	0.98
Closing Balance	**82.61**	**78.28**
Total	**12,874.92**	**9,347.00**

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 reserve 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 Standalone Financial Statements

for the year ended March 31, 2022

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 ₹50/- per option. 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 (Amortised Cost) (₹in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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	15,727.48	-	12,390.95	-
Interets on Deposits as Security	-	342.41	-	326.04
Interest on Others	-	-	-	10.88
Total	**15,727.48**	**342.41**	**12,390.95**	**336.93**
Total Interest	**16,069.89**		**12,727.87**	

20. Gain On Assignment of Financial Assets (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gain On Assignment of Financial Assets	579.07	-
Total	**579.07**	**-**

21. Fees and Commission Income (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Processing fees Income	511.90	505.09
Total	**511.90**	**505.09**

22. Net gain on Fair Value Changes (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fair value gain on investments measured at fair value through profit or loss	17.69	23.63
Net Gain/(Loss) on fair value of derivative contracts	2.09	177.82
Gain on Sale of Investment	109.14	138.94
Total	**128.92**	**340.39**

23. Other Income (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Others	14.50	2.05
Total	**14.50**	**2.05**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

24. Finance Costs (On Financial Liabililties measured at Amoritsed Cost) (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense on Borrowings	5,226.97	4,541.44
Interest Expense on Debt Securities	1,285.47	752.45
Interest Expense on Subordinated Debt	198.66	150.25
Interest Expense on Others	119.93	245.64
Other Borrowing Costs	442.98	426.35
Interest Expenes on Lease Liability	11.88	5.89
Total	**7,285.89**	**6,122.02**

25. Impairment of Loan Assets (On Financial Assets measured at FVOCI) (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bad debts written off (Net)	1,808.60	1,238.69
Expected Credit Loss (Net)	1,191.09	2,428.54
Total	**2,999.69**	**3,667.23**

25.1 Details of Expected Credit Loss in respect of Loans and interest Receivable on Credit Impaired Loans refer Note No 3.3 and Note No 5.2.

26. Employee Benefit Expenses (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	2,582.71	2,147.96
Contribution to provident and other funds	203.28	147.42
Gratuity Expense	23.21	21.96
Staff welfare expenses	96.28	72.92
Total	**2,905.48**	**2,390.26**

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 ₹176.60 Lakhs (March 31, 2021: ₹129.59 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:"

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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 as under: (₹in Lakhs)

I	Reconciliation of opening and closing balances of defined benefit obligation	Year ended March 31, 2022	Year ended March 31, 2021
	Opening Defined Benefit Obligation	**51.03**	**48.01**
	Transfer in/(out) obligation	-	-
	Current service cost	20.80	19.90
	Interest cost	2.92	2.89
	Components of actuarial gain/losses on obligations:	-	-
	Due to Change in financial assumptions	(1.40)	0.54
	Due to change in demographic assumption	-	-
	Due to experience adjustments	5.08	(19.59)
	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	(1.04)	(0.73)
	Closing Defined Benefit Obligation	**77.39**	**51.03**

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for the year ended March 31, 2022

(₹in Lakhs)

II	Reconciliation of plan assets	Year ended March 31, 2022	Year ended March 31, 2021
	Opening value of plan assets	**0.68**	**3.24**
	Transfer in/(out) plan assets	-	-
	Expense deducted from the fund	-	-
	Interest Income	0.50	0.84
	Return on plan assets excluding amounts included in interest income	(2.27)	(4.70)
	Assets Distributed on settlements	-	-
	Contribution by the company	3.70	2.03
	Assets acquired in an amalgamation in the nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefits paid	(1.04)	(0.73)
	Fair value of plan assets at the end of the year	**1.57**	**0.68**

(₹in Lakhs)

III	Reconciliation of net defined benefit liability	Year ended March 31, 2022	Year ended March 31, 2021
	Net opening provision in books of accounts	50.35	44.77
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per Annexure[2]	23.21	21.96
	Amounts recognized in Other Comprehensive Income	5.95	(14.35)
		79.52	**52.38**
	Benefits paid by the Company	-	-
	Contributions to plan assets	(3.70)	(2.03)
	Closing provision in books of accounts	**75.82**	**50.35**

IV	Composition of plan assets	Year ended March 31, 2022	Year ended March 31, 2021
	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%**

(₹in Lakhs)

V	Expense recognised during the year	Year ended March 31, 2022	Year ended March 31, 2021
	Current service cost	20.80	19.90
	Interest cost	2.42	2.06
	Past service cost	-	-
	Expense recognised in the statement of profit and loss	**23.21**	**21.96**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(₹in Lakhs)

VI	Other comprehensive income	Year ended March 31, 2022	Year ended March 31, 2021
	Components of actuarial gains/losses on obligations:		
	Due to change in financial assumptions	(1.40)	0.54
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	5.08	(19.59)
	Return of plan assets excluding amounts included in interest income	2.27	4.70
	Components of defined benefits cost recognised in other comprehensive income	**5.95**	**(14.35)**

VII	Principal actuarial assumptions	Year ended March 31, 2022	Year ended March 31, 2021
	Discount rate (per annum)	6.40%	6.05%
	Rate of return on plan assets (per annum)	6.00%	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.

(₹in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	79.40	75.48	52.43	49.70
% change compared to base due to sensitivity	2.60%	(2.47%)	2.75%	(2.61%)
Salary growth rate (- / + 0.5%)	75.46	79.40	49.69	52.42
% change compared to base due to sensitivity	(2.49%)	2.60%	(2.62%)	2.74%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	79.90	75.00	53.15	49.03
% change compared to base due to sensitivity	3.24%	(3.09%)	4.15%	(3.91%)

IX) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year. 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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.79 years.

Particulars	Cash flows (₹ Lakhs)	Distributions (%)
1st Following year	9.28	8.10%
2nd Following year	10.79	9.40%
3rd Following year	12.25	10.70%
4th Following year	11.45	10.00%
5th Following year	10.82	9.40%
Sum of years 6 to 10	31.56	27.50%

The future accrual is not considered in arriving at the above cash-flows

The Expected contribution for the next year is ₹28.86 Lakhs

27. Depreciation and Amortisation (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Property, Plant & Equipment	49.05	49.22
Amortization of Right of use Asset	27.90	14.79
Amortisation of Intangible Asset	8.30	6.85
Total	**85.25**	**70.85**

26. Other Expenses (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Electricity & fuel charges	34.41	24.93
Repairs to Building	11.07	22.91
Insurance	26.73	15.53
Rent	241.80	203.36
Rates & taxes	2.96	3.05
Bank Charges	18.11	28.47
Stationery & printing	56.48	36.81
Communication	67.62	55.92
Traveling & conveyance expenses	621.41	382.37
Professional fees	135.55	76.33
Auditor's Remuneration		
Audit fees	4.90	4.90
For tax audit	0.75	0.75
For certification	0.70	0.82
For Tax consultancy fee	-	1.02
	6.35	**7.48**
Corporate Social Responsibility Expenditure (refer Note 32)	40.67	7.16
Director sitting fees	1.25	0.80
Loss/(Gain) due To Moratorium Recognised at Effective Interest Rate Method	(39.73)	(66.66)
Net Loss on Derecognition of Property, Plant & Equipment	0.57	-
General charges (including security charges & membership fees etc.)	85.15	60.65
Total	**1,310.41**	**859.13**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

29. Tax Expenses

The Components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	1,005.00	564.00
Adjustment in respect of current tax of prior years	0.28	-
Deferred tax	(132.26)	(588.99)
Total Tax Expense	**873.02**	**(24.99)**
Total tax charge		
Current Tax	1,005.28	564.00
Deferred Tax	(132.26)	(588.99)

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 31st March, 2021 and 31st March, 2020 is, as follows: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax expense	2,717.57	465.90
Income tax rate%	25.17%	25.17%
Expected tax expense	**683.96**	**117.26**
Tax effect of :		
Tax effect of Permanent differences	283.00	(107.21)
Tax effect of deductible expenses	(94.08)	(35.19)
Tax effect of Income taxes at different rate	-	(0.42)
Tax Effect on other adjustments	0.14	0.58
Tax expense Recognised in the Statement of Profit and Loss	873.02	(24.99)

30. Earnings per share

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Numerator used for calculating Basic Earning per share (PAT)	₹ In Lakhs	1,844.55	490.89
Numerator used for calculating Diluted Earning per share (PAT)	₹ In Lakhs	1,844.55	490.89
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	3,02,21,000	2,71,75,000
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	3,02,21,000	2,71,75,000
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	6.10	1.81
Diluted earnings per share	In ₹	6.10	1.81

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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**
March 31, 2022				
Numerator (₹ In Lacs)	17,402.27	14,856.68	2,545.60	5,598.80
Denominator (₹ In Lacs)	92,668.90	92,668.90	92,668.90	266.31
Ratio (%)	**18.78**	**16.03**	**2.75**	**2,102.36**
March 31, 2021				
Numerator ₹	12,811.11	11,084.96	1,726.16	3,885.21
Denominator ₹	63,031.65	63,031.65	63,031.65	391.07
Ratio (%)	**20.32**	**17.59**	**2.74**	**993.48**
% Variance	-7.61%	-8.84%	0.31%	111.62%
Reason for variance (if above 25%)	Due to increase in the Portfolio size & investment made in subsidary			

31. Contingent liabilities not provided for: Nil

32. Corporate social responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR expense is ₹39.16 Lakhs (March 31, 2021: 42.78 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below: (₹in Lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a)	**Gross amount required to be spent by the company during the year**	39.16	42.78
(b)	**Amount spent during the year**		
i)	Paid in Cash	4.02	8.67
ii)	Transferred to unspent CSR a/c U/s 135(6)	36.65	34.11#
	Total of Amount Spent (refer note 28)	**40.67**	**42.78**

#CSR expense of ₹34.11 Lakhs transferred to unspent CSR Account in FY 2021 22.

Reason for shortfall in current & previous year: Due to execution of ongoing project.

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 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 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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

I) Amount Recognized in Statement of Profit and Loss: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Expenses related to Short Term Lease	241.79	203.36
ii) Interest Expense on Lease Liability	11.88	5.89
iii) Depreciation charge for right-of-use assets	27.90	14.79
Total	**281.57**	**224.04**

II) Amounts recognised in statement of cash flows (including Interest Component): (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	32.94	17.48

III) Additions to right-of-use assets: (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Addition to Right of used assets added	90.68	-

IV) Maturity analysis of lease liabilities (₹in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	35.84	18.36
After one year but not more than five years	130.36	60.77
More than five years	-	-
Total undiscounted lease liabilities as at March 31, 2022	**166.20**	**79.13**
Balances of Lease Liabilities		
Non-Current	110.99	53.73
Current	25.83	13.47
Total Lease Liability	**136.82**	**67.20**

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".

33. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Holding Company

Arman Financial Services Limited

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

B. Key Managerial Personnel

Mr. Jayendra Patel (Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

C. Non-Executive Director and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Ramakant Nagpal	Independent Director
Mrs. Ritaben Patel	Non-Executive Director
Mrs. Sajni Patel	Relative of Key Managerial Personnel
Aakash Patel (HUF)	Karta is Relative of Key Managerial Personnel

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

Particulars	Year Ended March 31, 2022			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Expenses				
Interest Expense	99.64	-	-	99.64
Remuneration & perquisites Paid	-	55.54	-	55.54
Sitting fees	-	-	1.25	1.25
Rent paid	-	-	20.92	20.92
Unsecured Loans				
Unsecured Loan Taken	75,050.74	-	-	75,050.74
Unsecured Loan Repaid (Including Interest)	75,188.72	-	-	75,188.72

Particulars	Year Ended March 31, 2021			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Expenses				
Interest Expense	197.25	-	-	197.25
Remuneration & perquisites Paid	-	47.54	-	47.54
Sitting fees	-	-	0.80	0.80
Rent paid	-	-	19.92	19.92
Unsecured Loans				
Unsecured Loan Taken	63,964.55	-	-	63,964.55
Unsecured Loan Repaid (Including Interest)	64,285.26	-	-	64,285.26

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

E. Details of Balances Outstanding from Related Parties:: (₹in Lakhs)

Particulars	Year Ended March 31, 2022			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Loan Taken Outstanding Balance	-	-	-	-
Issuance of equity shares of holding to the employees of company at discount	82.61	-	-	82.61
Corporate Guarantee Given for loan taken by subsidiary company	23,850.00	-	-	23,850.00
O/s Loan against Corporate Guarantee	12,663.87	-	-	12,663.87

Particulars	Year Ended March 31, 2021			
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Loan Taken Outstanding Balance	128.02	-	-	128.02
Issuance of equity shares of holding to the employees of company at discount	78.27	-	-	78.27
Corporate Guarantee Given for loan taken by subsidiary company	23,250.00		-	23,250.00
O/s Loan against Corporate Guarantee	13,187.81	-	-	13,187.81

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:

(₹in Lakhs)

Nature of Payments	Related Party	2021-22	2020-21
Interest Expense	Arman Financial Services Limited	99.64	197.25
Loan Taken during the year	Arman Financial Services Limited	75,050.74	63,964.55
Loan and interest repaid during the year	Arman Financial Services Limited	75,188.72	64,285.26
Equity contribution	Arman Financial Services Limited	2,753.90	-
Remuneration	Aalok Patel	25.04	21.04
	Jayendra Patel	30.50	26.50
Rent	Ritaben J. Patel	16.78	15.99
Sitting Fees	Ritaben J. Patel	0.40	0.40
	Ramakant Nagpal	0.85	0.40
Corporate Guarantee given by the Holding Company in respect of loan taken by the company	Arman Financial Services Limited	23,850.00	23,250.00
O/s Loan against Corporate Guarantee		12,663.87	13,187.81

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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

36. Revenue from contracts with customers:

Refer Para 3.1 of significant accounting policies to the financial statements.

37. Amount Expected to be Recovered or Setteled 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. (₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022			As at March 31, 2021		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	4,450.84	-	**4,450.84**	3,885.21	-	**3,885.21**
Bank Balance other than above	2	4,406.00	1,518.75	**5,924.75**	4,193.18	2,074.00	**6,267.18**
Loans	3	59,934.81	26,996.35	**86,931.17**	39,181.73	20,093.71	**59,275.44**
Investments	4	591.74	-	**591.74**	317.73	-	**317.73**
Other Financial assets	5	878.03	311.80	**1,189.84**	530.73	93.78	**624.51**
Non-financial Assets							
Deferred tax Assets (Net)	6	1,187.38	-	**1,187.38**	898.27	-	**898.27**
Property, Plant and Equipment & Other Intangible assets	7	-	283.57	**283.57**	-	272.29	**272.29**
Right-of-Use Assets	7	-	121.93	**121.93**	-	59.15	**59.15**
Other non-financial assets	8	39.77	-	**39.77**	14.32	-	**14.32**
Total Assets		**71,488.58**	**29,232.41**	**1,00,720.99**	**49,021.18**	**22,592.92**	**71,614.10**
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
(I) Other Payables	9						
(i) total outstanding dues of micro enterprises and small enterprises		-	-	**-**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		117.77	-	**117.77**	76.09	-	**76.09**
Debt Securities	10	2,350.00	10,429.03	**12,779.03**	4,146.03	7,130.49	**11,276.52**
Borrowings (Other than Debt Securities)	11	51,436.26	14,955.24	**66,391.50**	26,789.56	17,868.30	**44,657.86**
Subordinated Liabilities	12	-	2,000.00	**2,000.00**	-	1,000.00	**1,000.00**
Other financial liabilities	13	2,688.41	110.99	**2,799.41**	1,890.50	58.48	**1,948.98**
Non-Financial Liabilities							
Current tax Liability (Net)	14	291.64	-	**291.64**	447.97	-	**447.97**
Provisions	15	28.86	46.96	**75.82**	20.80	29.55	**50.35**
Other non-financial liabilities	16	64.92	-	**64.92**	91.82	-	**91.82**
EQUITY							
Equity Share capital	17	-	3,326.00	**3,326.00**	-	2,717.50	**2,717.50**
Other Equity	18	-	12,874.92	**12,874.92**	-	9,347.00	**9,347.00**
Total Liabilities and Equity		**56,977.85**	**43,743.15**	**1,00,720.99**	**33,462.78**	**38,151.32**	**71,614.10**

Notes Forming Part of the Standalone Financial Statements

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38. Fair Value Measurements:

A. Financial instrument by category and their fair value (₹ in Lakhs)

As at March 31, 2022	Note No.	Carrying Amount				Fair Value			
		Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value									
Loans	3	-	-	86,931.17	86,931.17	-	86,931.17	-	86,931.17
Investments	4		335.42	-	335.42	335.42	-	-	335.42
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	-	8.12	-	8.12	8.12	-	-	8.12
Total		**-**	**343.53**	**86,931.17**	**87,274.70**	**343.53**	**86,931.17**	**-**	**87,274.70**
Financial Assets Not Measured at Fair value									
Cash and Cash Equivalents	1	4,450.84	-	-	4,450.84	-	-	-	-
Bank Balances other than cash and Cash Equivalent	2	5,924.75	-	-	5,924.75	-	-	-	-
Investments	4	256.32			256.32				
Deposits	5	343.65	-	-	343.65	-	-	-	-
Other Loans	5	444.31	-	-	444.31	-	-	-	-
Interest Due but not Received on Loans & Advances	5	164.10	-	-	164.10	-	-	-	-
Interest Accrued but not due on Bank Deposits	5	472.43	-	-	472.43	-	-	-	-
Total		**12,056.41**	**-**	**-**	**12,056.41**	**-**	**-**	**-**	**-**
Financial Liabilities Not Measured at Fair value									
Debt Securities	10	12,779.03	-	-	12,779.03	-	-	12,779.03	12,779.03
Borrowings (Other than Debt Securities)	11	66,391.50	-	-	66,391.50	-	-	66,391.50	66,391.50
Subordinated Liabilities	12	2,000.00	-	-	2,000.00	-	-	2,000.00	2,000.00
Other Payables	9	117.77	-	-	117.77	-	-	-	-
Other financial liabilities	13	2,799.41	-	-	2,799.41	-	-	-	-
Total		**84,087.70**	**-**	**-**	**84,087.70**	**-**	**-**	**81,170.53**	**81,170.53**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

As at March 31, 2021	Note No.	Carrying Amount				Fair Value			
		Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value									
Loans	3	-	-	59,275.44	59,275.44	-	59,275.44	-	59,275.44
Investment in Mutual Funds	4	-	317.73	-	317.73	317.73	-	-	317.73
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	-	6.02	-	6.02	6.02	-	-	6.02
Total		-	**323.75**	**59,275.44**	**59,599.20**	**323.75**	**59,275.44**	-	**59,599.20**
Financial Assets Not Measured at Fair value									
Cash and Cash Equivalents	1	3,885.21	-	-	3,885.21	-	-	-	-
Bank Balances other than cash and Cash Equivalent	2	6,267.18	-	-	6,267.18	-	-	-	-
Deposits	5	198.92	-	-	198.92	-	-	-	-
Other Loans	5	11.44	-	-	11.44	-	-	-	-
Interest Due but not Received on Loans and Advances	5	198.38	-	-	198.38	-	-	-	-
Interest Accrued but not due on Bank Deposits	5	666.35	-	-	666.35	-	-	-	-
Total		**11,227.48**	-	-	**11,227.48**	-	-	-	-
Financial Liabilities Not Measured at Fair value									
Debt Securities	10	11,276.52	-	-	11,276.52	-	-	11,276.52	11,276.52
Borrowings (Other than Debt Securities)	11	44,657.86	-	-	44,657.86	-	-	44,657.86	44,657.86
Subordinated Liabilities	12	1,000.00	-	-	1,000.00	-	-	1,000.00	1,000.00
Other Payables	9	76.09	-	-	76.09	-	-	-	-
Other financial liabilities	13	1,948.98	-	-	1,948.98	-	-	-	-
Total		**58,959.45**	-	-	**58,959.45**	-	-	**56,934.38**	**56,934.38**

The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Security Deposits, Other Loans, interest due but not Received on loans and advances and Interest Accrued but not due on Bank Deposits, Other payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

B. Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last 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.

C 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.

C.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.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

C.2 Regulatory capital (₹in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	14,856.68	11,084.96
Tier 2 Capital	2,545.60	1,726.16
Risk Weighted Assets	**92,668.90**	**63,031.65**
Tier 1 Capital Ratio (%)	16.03	17.59
Total Capital Ratio (%)	**18.78**	**20.32**

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. 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:** (₹in Lakhs)

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Retail assets	86,931.17	59,275.44
Loans to NBFC-to Create the underlying assets of SME, TW	-	-
Total	**86,931.17**	**59,275.44**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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.

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.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'TheExpected 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, 2022

"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:

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, 2022

Changes in ECL allowances in relation to loans from beginning to end of reporting period: (₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening provision of ECL	3,311.79	1,309.78
Addition during the year	4,179.90	3,325.48
Utilization / reversal during the year	(2,774.98)	(1,323.47)
Closing provision of ECL	**4,716.71**	**3,311.79**

The Company has taken expert advise from Actuariy Valuer for making provision for ECL and accounted ECL provision based on Valaution report provided by Kapadia Actuaries and Consultants.

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 March 31, 2022 is 18.73% against regulatory norms of 15%. Tier I capital is 16.03% as against requirement of 10%. Tier II capital is 2.75% 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 ₹230 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. (₹ in Lakhs)

Particulars	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 to 5 Years	Over 5 Years	Total
As at March 31, 2022									
Debt Securities (Refer Note 10)	-	-	-	2,350.00	-	10,429.03	-	-	**12,779.03**
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	4,839.42	3,972.63	3,998.39	14,590.32	24,614.84	15,375.90	-	1,000.00	**68,391.50**
As at March 31, 2021									
Debt Securities (Refer Note 10)	-	4,146.03	-	-	-	7,130.49	-	-	**11,276.52**
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	4,917.64	1,498.55	1,673.62	5,888.66	12,811.09	17,868.30	1,055.17	1,000.00	**45,657.86**

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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, 2022	
Change in interest rates	50 bp increase	50 bp decrease
Bank Deposits (Refer Note 2)	**5,924.75**	**5,924.75**
Impact on profit for the year	29.62	(29.62)
Variable Rate Borrowings (Refer Note 11)	**66,391.50**	**66,391.50**
Impact on profit for the year	(331.96)	331.96

V Foreign currency risk:

As at March 31, 2022, the company has outstanding foreign currency borrowings of Euro 5 million (March 31, 2021: Euro 5 million). 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 ₹., are as follows:
(₹in Lakhs)

Particulars	Currency	March, 31, 2022	March, 31, 2021
Financial liabilities			
External commercial borrowings (Refer Note 11)	**Euro**	4,150.37	4,151.80
(including interest accrued)			
(Gain)/loss: Derivative contract		(8.12)	(6.02)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. (₹in Lakhs)

Particulars	March, 31, 2022	March, 31, 2021
Euro Sensitivity		
Inr/Euro-increase by 5%	(207.52)	(207.59)
Inr/Euro-decrease by 5%	207.52	207.59

* Holding all other variables constant

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

40. Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are: (₹in Lakhs)

Particulars	Note Reference	As at March 31, 2022	As at March 31, 2021
Financial Assets			
Loans	3	86,931.17	59,275.44
Investments	4	256.32	-
Deposits	5	343.65	198.92
Total Financial Assets pledged as Security		**87,531.14**	**59,474.36**

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 vitual 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. There are not changes which are pending for satisfaction with registrar of companies beyond the statutory period except following.

Description of Charges	Location of Registrar	Period upto which satisfaction registered	Reason for Delay
Vijaya Bank Term Loan Charge Created of ₹500 Lakhs for the Borrowing of ₹500 Lakhs on 09.03.2017	Gujarat	-	The Company has repaid the loan, however an NOC is awaited from Bank of Baroda (Formerly known as Vijya Bank) for filling the Satisfaction of Charge to Registrar of Companies.

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) (₹in Lakhs)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
(i)	CRAR (%)	18.73%	20.32%
(ii)	CRAR Tier I Capital (%)	16.03%	17.59%
(iii)	CRAR Tier II Capital (%)	2.70%	2.74%
(iv)	Amount of subordinated debt raised as Tier-II Capital	2,000	1,000
(v)	Amount raised by issue of perpetual debt instruments	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

B. Investments (₹in Lakhs)

Particulars	March 31, 2022	March 31, 2021
(1) Value of investments	591.74	317.73
(i) Gross value of investments		
(A) In India	591.74	317.73
(B) Outside India	-	-
(ii) Provision for deprecation		
(A) In India	-	-
(B) Outside India	-	-
(iii) Net value of investments		
(A) In India	591.74	317.73
(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

Forward Rate Agreement / Cross Currency Swaps: (₹in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Notional Principal of swap agreements	4,130.00	4,130.00
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreements	(8.11)	(6.02)
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from swaps	-	-
Fair value of the swap book	(8.11)	(6.02)

C1. Disclosure relating to securitization:

The Company has entered into transaction of Securitization (PTC) of ₹12,468.90 Lakhs during the Year Ended March 31, 2022 and previous years of ₹4,652.46 Lakhs. (₹in Lakhs)

Sr No	Particulars	As at March 31, 2022	As at March 31, 2021
1)	No of SPVs sponsored by the company for securitization transactions	7	2
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	16,379.13	4652.46
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	1,489.49	596.10
	• 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	-	-

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Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

D. 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)

E. Details of assignment transactions undertaken by NBFC: (₹in Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	No. of Accounts	41,789	-
ii)	Book value of loans assets assigned during the year	12,468.90	-
iii)	Sale consideration received during the year	9,975.12	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Interest spread recognised in the statement of profit and loss during the year (including amortisation of unamortised interest spread)	498.97	-

F. Details of non-performing assets purchase / sold

The Company has not purchased/sold non performing financial assets in the current and previous year.

G. Assets Liability Management

Maturity pattern of certain Assets and Liability as on March 31, 2022 (₹in Lakhs)

Particulars	Up to 30/31 days	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 year	Total
Deposits	4.18	2.89	0.00	7.01	17.76	311.80	0.00	0.00	343.64
Advances	4,543.74	4,824.75	5,022.11	15,499.07	30,045.12	26,996.37	0.00	0.00	86,931.16
Investments	335.42	0.00	0.00	0.00	0.00	256.32	0.00	0.00	591.74
Cash & bank balance	**5000.84**	**100.00**	**775.00**	**1342.85**	**1638.15**	**1518.75**	**0.00**	**0.00**	**10375.59**
Borrowings	**4,260.05**	**3,972.64**	**3,998.39**	**16,940.33**	**24,614.85**	**26384.26**	**0.00**	**1,000**	**81170.52**
Foreign currency assets	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Foreign currency liabilities (Included in above Borrowings)	0.00	0.00	0.00	0.00	4,130.00	0.00	0.00	0.00	4,130.00

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

H. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

I. Exposure to Real Estate Sector

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

J. Details of financing of parent Company products:

This disclosure is not applicable as the Company does not have any holding / parent Company.

K. 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**

L. Unsecured Advances:

i) Refer Note no. 3 to the financial statements.

ii) The Company has not granted any advances against intangible securities (March 31, 2021: **Nil**).

M. 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

N. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

O. Rating assigned by credit rating agencies and migration of ratings during the year

For FY 2021-22

Deposit Instruments	Name of rating agency	Date of Rating	Rating assigned	Valid up to	Borrowing limits or conditions imposed by rating agency
Long Term Bank Facility	ACUITE	08-11-2021	ACUITE A - ; Stable(A Minus Outlook ; Stable)	07-11-2022	140.00 Crore

For FY 2020-21

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to	Borrowing limits or conditions imposed by rating agency
Long Term Bank Facility	CARE	12-10-2020	CARE BBB+; Stable (Triple B Plus Outlook: stable)	11-10-2021	190.84 Crore
Non-Convertible Debenture	CARE	12-10-2020	CARE BBB+; Stable (Triple B Plus Outlook: stable)	11-10-2021	41.50 Crore
Non-Convertible Debenture	CARE	12-10-2020	CARE BBB+; Stable (Triple B Plus Outlook: stable)	11-10-2021	48.75 Crore

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

P. Remuneration of Directors

Refer Note no. 33 of Financial Statements.

Q. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

R. 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.

S. Revenue Recognition

Refer para no. 3.1 to the accounting policy

T. Ind AS 110 - consolidated financial statements (CFS)

Not Applicable.

U. Provisions and Contingencies

The information on all provisions and contingencies is as under: (₹in Lakhs)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss.	As at March 31, 2022	As at March 31, 2022
Provision made towards income tax	1,005.00	564.00
Provision for employee benefits	23.21	21.96
Provision towards impaired assets (Stage3)	693.77	1,640.75
Provision towards impaired assets (Stage1 and 2)	711.15	361.26
Provision towards Interest on Credit impaired assets	(213.83)	426.55

V. Drawn down from Reserves:

There is no draw down from reserves during the year.

W. Concentration of deposits (for deposit taking NBFCs):

Not applicable, as company has not taken any Deposits from public During the Year.

X. Concentration of advances:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

Y. Concentration of exposure:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

Z. Concentration of Stage 3 assets:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

AA. Sector-wise Stage 3 assets (Gross):

Sector	% of Stage 3 assets to Total Advances in that sector as at March 31, 2022	% of Stage 3 assets to Total Advances in that sector as at March 31, 2021
Micro Finance	3.68%	4.13%

BB. Movement of Stage 3 Assets: (₹in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net stage 3 assets to net advances (%)	0.62%	0.70%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	2591.82	552.23
(b) Additions during the year	2805.98	3,563.92
(c) Reductions during the year	(2013.20)	(1,524.33)
(d) Closing balance	3,384.59	2,591.82

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Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

(iii) Movement of net stage 3 assets		
(a) Opening balance	406.19	7.35
(b) Additions during the year	254.68	1,072.96
(c) Reductions during the year	(155.67)	(674.12)
(d) Closing balance	505.19	406.19
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	2185.63	544.88
(b) Additions during the year	2551.30	2,490.96
(c) Reductions during the year	(1857.53)	(850.21)
(d) Closing balance	2879.40	2,185.63

CC. 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

DD. 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	12.35%
Average interest rate on Loans given to JLGs	23.13%

EE. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	-	-
c)	No. of complaints redressed during the year	-	-
d)	No. of complaints pending at the end of the year	-	-

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):

(₹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	83,979.69	515.80	83,463.88	-	515.80
	Stage 2	4,283.45	1,321.50	2,961.95	-	1,321.50
Subtotal		**88,263.14**	**1,837.30**	**86,425.83**	**-**	**1,837.30**
B. Non-Performing Assets						
Sub standards	Stage 3	3,384.74	2,879.40	505.34	931.76	1947.64
Doubtful upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Subtotal for Doubtful						
Loss	-	-	-	-	-	-
Subtotal for NPA		**3,384.74**	**2,879.40**	**505.34**	**931.76**	**1947.64**

Contd..

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

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
Total	Stage 1	83,979.68	515.80	83,463.88	-	515.80
	Stage 2	4,283.45	1,321.50	2,961.95	-	1,321.50
	Stage 3	3,384.74	2,879.40	505.34	931.76	1947.64
		91,647.87	**4,716.70**	**86,931.17**	**931.76**	**3784.94**

*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 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.

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:

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid: (₹in Lakhs)

Sr No.	Particulars	Year ended March 31, 2022 Amount outstanding	Amount Overdue
a)	Debentures : Secured	12,906.54	-
	: Unsecured (Other Than falling within the meaning of public deposits*)	-	-
b)	Deferred Credits		
c)	Term Loans	69,297.18	-
d)	Inter-Corporate Loans and borrowings	-	-
e)	Commercial Paper	-	-
f)	Other loans:	-	-
	From Banks		
	From Banks (Cash Credit/OD)	94.32	-
	From a Company	-	-
	Security Deposits	-	-
	Advances Received against loan agreements	-	-

B. Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):

(₹in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2022 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, 2022

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below) (₹in Lakhs)

Sr. No.	Particulars	Amount Outstanding (Net of Provisions)
a)	Secured	-
b)	Unsecured	86,931.16

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities (₹in Lakhs)

Sr. No.	Particulars	Amount Outstanding
(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 repossessed	-
	b) Loans other than a) above	-

E. Break-up of Investments

Refer Note 41 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above: (₹in Lakhs)

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	-	86,931.16	86,931.16
	Total	**-**	**86,931.16**	**86,931.16**

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

Sr No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	Related parties**		
	a) Subsidiaries (Refer Note Below)	-	-
	b) Companies in the same group	-	-
	c) other related parties	-	-
2	Other than related parties	591.74	591.74
	Total	**591.74**	**591.74**

**As per Ind AS issued by MCA (Refer Note 3 below)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2022

H. Other Information: (₹in Lakhs)

Sr. No	Particulars	Amount
(i)	Gross non-performing Assets	
	a) Related parties	-
	b) Other than related parties	3,430.09
(ii)	Net non-performing assets	
	a) Related parties	-
	b) Other than related parties	335.10
(iii)	Assets acquired in satisfaction of debt	-

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.

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

46. The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off ₹18.09 Crores. The ECL provision of ₹1026.05 Lakhs is retained by the company as at March 31, 2022 towards management overlay on account of COVID-19. The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

47. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

Signature to notes "1" to "47"

As per our report of even date attached herewith

For, **J. T. Shah & Co.,**
Chartered Accountants
[Firm Regd. No. 109616W]

[J. J. Shah]
Partner
[M.No.45669]
UDIN: 22045669AJXJGY3747

Place: Ahmedabad
Date: 30.05.2022

For, **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

Arman Financial Services Limited

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