

**ANNUAL REPORT
OF
ASHV FINANCE LIMITED
FOR
FY 2022-23**



CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p>NON-EXECUTIVE CHAIRMAN Mr. Vineet Chandra Rai</p> <p>MANAGING DIRECTOR Mr. Nikesh Kumar Sinha</p> <p>NON-EXECUTIVE DIRECTORS Mr. Sagar Thakar Ms. Suma Swaminathan Mr. Amol Warange (Appointed w.e.f. 01-Oct-2022) Mr. Anurag Agrawal</p> <p>NON-EXECUTIVE INDEPENDENT DIRECTORS Mr. Rakeh Rewari Ms. Matangi Gowrishankar</p> <p>CHIEF FINANCIAL OFFICER Ms. Kiran Agarwal Todi</p> <p>COMPANY SECRETARY AND COMPLIANCE OFFICER Ms. Monika Variava</p> <p>STATUTORY AUDITORS Batliboi & Purohit Mumbai</p> <p>SECRETARIAL AUDITORS Parikh & Associates Mumbai</p> <p>REGISTERED & CORPORATE OFFICE 12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India CIN: U65910MH1998PLC333546 RBI Regn. No.: B-13.02376 Tel No.: +91 22 6249 2700 FAX No.: +91 22 6249 2789 E-mail: compliance.team@ashvfinance.com Website: www.ashvfinance.com</p>	<p>DEBENTURE TRUSTEE</p> <ol style="list-style-type: none"> Catalyst Trusteeship Limited Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098 Beacon Trusteeship Limited 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East) Mumbai – 400051, Maharashtra, India Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400025 <p>REGISTRAR AND SHARE TRANSFER AGENT Satellite Corporate Services Pvt. Ltd. 106 & 107, Dattani Plaza, Kurla Andheri Road, Kurla (W), Nr. Safed Poll East West Ind Estate, Mumbai – 400072, Maharashtra, India</p> <p>BANKERS Suryoday Small Finance Bank Ltd Federal Bank Ltd SBI Bank Limited HDFC Bank Limited Small Industries Development Bank of India AU Small Finance Bank Limited ESAF Small Finance Bank Fincare Small Finance Bank IDFC First Bank Indian Overseas Bank Kotak Mahindra Bank Shivalik Small Finance Bank Utkarsh Small Finance Bank</p>
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BOARD'S REPORT

Dear Members,

Your Board of Directors (the "Board") presenting Twenty Fifth (25th) Annual Report of Ashv Finance Limited (the "Company") together with the Audited Financial Statements for the year ended 31-Mar-2023:

FINANCIAL RESULTS:

The financial performance of the Company is summarised below:

(All amounts in ₹ unless otherwise stated)

Particulars	31-Mar-2023 (Rupees in Lakhs)	31-Mar-2022 (Rupees in Lakhs)	Change (%)
Revenue from Business Operations	22,038.96	12,799.67	72.18%
Other Income	45.90	52.72	-12.94%
Total Revenues	22,084.86	12,852.39	71.83%
Less: Expenses	11,495.78	6,508.28	76.63%
Profit before Interest and Depreciation	10,589.08	6,344.11	66.91%
Less: Interest	9,969.51	5,840.32	70.70%
Profit before Depreciation	619.57	503.79	22.98%
Less: Depreciation	449.26	272.49	64.87%
Profit after Depreciation and Interest	170.31	231.30	-26.37%
Less: Current Income Tax	0.00	21.74	-100.00%
Less: Deferred tax benefits	-415.10	-330.24	25.70%
Less: Taxes of earlier years	-21.74	-6.97	211.91%
Profit after Tax	607.15	546.77	11.04%
Other comprehensive income, Net of tax	-5.76	8.31	-169.34%
Comprehensive income for the year	612.91	538.46	13.83%
Amount transferred to Statutory Reserve pursuant to Section 45-IC of Reserve Bank of India (RBI) Act, 1934	122.00	110.00	10.91%
Balance carried to Balance Sheet	490.91	428.46	14.58%
Earnings per share (Basic)	1.48	1.63	-9.29%
Earnings per share (Diluted)	1.22	1.30	-5.78%

The above figures are extracted from the Financial Statements prepared in accordance with Indian Accounting Standards ("IND AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

REVIEW OF BUSINESS OPERATIONS AND COMPANY'S STATE OF AFFAIRS:

During the year under review, the total revenue of the Company was ₹ 22,038.96 lakhs and Net Profit was ₹ 607.15 lakhs.

The Company has disbursed ₹85,837 Lakhs of fresh loans as compared to ₹59,714 Lakhs fresh loans in the previous financial year FY22. Accordingly, the revenue of the Company has also grown up by 71.83%

During the year under review, we have opened up branches in Bangalore, Thane, Jalgaon and Hubli. As of today, a total of 35 branches excluding a registered office situated in Mumbai have been opened up and have built up a distribution team accordingly.

A detailed overview of the state of affairs of the Company, Industry Overview, future outlook etc. is provided in the Management Discussion and Analysis section, enclosed with this report.

SCHEME OF ARRANGEMENT WITH TRIBETECH PRIVATE LIMITED:

The Company had in its meeting of the Audit and Compliance Committee and Board of Directors of the Company held on 22-Jul-2020 approved the Scheme of Arrangement (the "Scheme") between TribeTech Private Limited (the "Transferor Company") and Ashv Finance Limited (the "Transferee Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provision of the Act and rules framed thereunder to rationalize the business operations and activities of both, the Transferor Company and the Transferee Company, by bringing together the synergy between the technology platform and the distribution capabilities of the two companies.

During the year under review, the Company received approval from the Hon'ble National Company Law Tribunal (NCLT) under Sections 230 to 232 of the Companies Act, 2013 vide its order dated 12-Jan-2023. Upon the Scheme becoming effective, the Company issued and allotted to every equity shareholder of the Transferor Company, holding fully paid-up Equity Shares, 292 Equity Shares of the face value of INR 10 each, for every 1 Equity Share of INR 10 each fully paid up held by such Shareholder in the Transferor Company.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the year under review.

RESOURCE MOBILIZATION:

During the year under review, the Company has raised funds from Banks and Financial Institutions through various channels including Term Loans, Non-Convertible Debentures (NCDs) on a private placement basis and securitization of loan assets of the Company in line with the Company's Resource Planning Policy.

a. Non-Convertible Debentures:

During the year under review, the Company has raised funds by way of issuance of Non-Convertible Debentures (NCDs) on a Private Placement basis as mentioned below:

(Rupees In Lakhs)						
Date of Allotment	Description of NCDs	No. of NCDs	Face Value (FV) (in ₹)	Nominal Value (in ₹)	Principal Outstanding (in ₹)	Maturity Date
27-May-2022	Rated, Senior, Unlisted, Taxable, Transferable, Redeemable, Non-Convertible Debentures	150	10,00,000	1,500	1,500	27-May-2028
01-Jul-2022	Senior, Rated, Secured, Taxable, Unlisted, Redeemable, Non-Convertible Debentures	300	10,00,000	3,000	3,000	30-Jun-2025
05-Jul-2022	Rated, secured, senior, unlisted, transferable, redeemable, non-convertible debentures	20,000	10,000	2,000	1,000	13-Jul-2023
30-Aug-2022	Rated, Senior, Secured, Listed, Redeemable, Transferable Non-Convertible Debentures	200	10,00,000	2,000	1,440	30-Sep-2024
26-Sep-2022	Rated, secured, senior, unlisted, transferable, redeemable, non-convertible debentures	1,000	1,00,000	1,000	1,000	31-Jul-2025
29-Mar-2023	Rated, Unlisted, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures	20,000	10,000	2,000	2,000	29-Mar-2026

Funds raised through private placement of debentures were utilized for the purpose as mentioned in the offer documents.

b. Bank & Financial Institution:

During the year under review, Banks & Financial Institutions remains an important source of funding for your Company. Financial Institution continued their support to your Company during the Financial Year. Borrowing outstanding as of 31-Mar-2023 from Bank and Financial Institutions were ₹67,535 Lakhs as against ₹51,636 Lakhs in the previous year. Also, during the year, the Company's Borrowing from Bank & Financial Institutions were ₹63,223 Lakhs as against ₹42,900 Lakhs in the previous years.

c. Securitization:

Borrowing outstanding as of 31-Mar-2023 by way of Securitization of loan assets of the company were ₹7,516 Lakhs. During the year under review, the Company has raised funds of ₹92,500 Lakhs.

d. External Commercial Borrowings (ECB):

During the year under review, the Company has availed External Commercial Borrowings (ECB) facility by way of a term loan aggregating up to USD 1,800,000 (United States Dollars One million and Eight Hundred Thousand only) from Monega Multi-Sector Microfinance & Impact Loan Fund and Monega Mikrofinanz & Impact Funds.

No interest payment or principal repayment of the Term Loans and on Debentures was due and unpaid as of 31-Mar-2023. The assets of the Company which are available by way of security are sufficient to discharge the claims of the banks, financial institutions and debt security holders as and when they become due.

The overall borrowings are within the regulatory ceilings as well as aggregate borrowing limits of the Company as approved by the Board and Members of the Company.

SHARE CAPITAL:

a. Authorized Share Capital:

During the year under review, there is no change in the Authorised Share Capital of the Company. Authorized Share Capital of the Company as of 31-Mar-2023 is as below:

Particulars	No. of Shares	Nominal Amount (In ₹)
Equity Shares (FV of ₹10/- each)	7,34,00,000	73,40,00,000
Series C Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	60,00,000	6,00,00,000
Series D Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	56,00,000	5,60,00,000
Total	8,50,00,000	85,00,00,000

b. Issued, Subscribed, and Paid-up Share Capital:

During the year under review, pursuant to the approval of the Hon'ble National Company Law Tribunal (NCLT) on the Scheme of Arrangement between TribeTech Private Limited ("Transferor Company") and Ashv Finance Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 vide its order dated 12-Jan-2023, the Company has issued and allotted 292 Equity Shares of the face value of INR 10 each, for every 1 Equity Share of INR 10 each fully paid up held by such shareholder in the Transferor Company. In view of the same, the Company allotted 75,34,768 Equity Shares of ₹10/- each at an issue price of ₹115.90/- per share to the Shareholders of the Transferor Company.

The issued, subscribed, and paid-up share capital of the Company as of 31-Mar-2023 are as below:

Particulars	No. of Shares	Nominal Amount (In ₹)
Equity Shares (FV of ₹10/- each)	4,11,50,069	41,15,00,690
Series C Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	58,49,966	5,84,99,660
Series D Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	26,27,724	2,62,77,240
Total	4,96,27,759	49,62,77,590

EMPLOYEES STOCK OPTION PLAN:

With a view to reward the key employees for their association, dedication, and contribution to the goals of the Company, your Company had formulated and implemented the "IntelleGrow Employee Stock Option Plan 2018" (IntelleGrow ESOP 2018), ESOP Scheme 1, and formulated "Ashv Finance – Employee Stock Option 2021, ESOP Scheme 2, pertaining to the Scheme of Arrangement (the "Scheme") between TribeTech Private Limited (the "Transferor Company") and Ashv Finance Limited (the "Transferee Company"). The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Scheme in accordance with applicable

regulations. The details of the Employee Stock Option Plan as required to be provided under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are annexed to this Report as an **Annexure-A** and forms an integral part of the Report.

CHANGE IN CONSTITUTIONAL DOCUMENTS:

During the year under review, the Company amended its Memorandum of Association of the Company due to the following events:

a. Alteration of the Object Clause:

- i. In order to expand the scope of marketing activities for the Company, the Memorandum of Association of the Company was modified by adding new clause 24A after sub clause 24 in Clause III (B) i.e., Matters which are necessary for the furtherance of the Objects Specified in Clause III(A) by way of passing a Special Resolution at the Extra Ordinary General Meeting held on 15-Feb-2023.
- ii. Pursuant to approval from the Hon'ble National Company Law Tribunal (NCLT) on the Scheme of Arrangement between TribeTech Private Limited ("Transferor Company") and Ashv Finance Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 vide its order dated 12-Jan-2023. The Memorandum of Association of the Company was without any further act, instrument or deed altered, modified and amended by inserting the new clause III(A)(6) immediately after the existing clause III(A)(5) of the Memorandum of the Association of the Company in accordance with Clause 4.6 of the Scheme of Arrangement and the same was duly noted by the Board in its meeting held on 13-Mar-2023.

TRANSFER TO RESERVES:

During the year under review, the Company has transferred ₹122Lakhs to the Statutory Reserve maintained under Section 45IC of the RBI Act, 1934.

DIVIDEND:

Considering your Company's rapid growth and future strategy and plans and with a view to conserve capital, your Directors consider it prudent to conserve the resources of the Company and do not recommend any dividend to any of its Members for the financial year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Ms. Suma Swaminathan (DIN: 08735282), Nominee Director of the Company, being longest in the office, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment and your Directors recommends her re-appointment. Declaration from the Director under Section 164(2) of the Act had been received.

b. Cessation of Directors:

During the year under review, Ms. Anuradha Ramachandran (DIN: 01983108), Nominee of ON Mauritius, who was appointed as a Nominee Director of the Company on 26-Mar-2015, resigned as a Nominee Director w.e.f. close of business hours of 30-Sep-2022. The Board places on record its appreciation for the valuable manner in which she has carried out her duties during the tenure of her duties as a Nominee Director of the Company.

c. Appointment of Directors:

During the year under review, upon recommendation of the Members of the Nomination and Remuneration Committee, the Board of Directors of the Company vide circular resolution dated 30-Sep-2022 appointed Mr. Amol Warange (DIN: 08730398],) as an Additional Director (Nominee of ON Mauritius of the Company w.e.f. 01-Oct-2022 subject to approval of the Members in the ensuing Annual General Meeting. The Company has received notice under section 160 of the Act proposing his candidature for the office of Director of the Company. Your Directors recommends his appointment.

d. Composition of Board:

As on date, the Board comprises of 8 (Eight) Directors viz:

- | | | |
|-----------------------------|---|-----------------------------|
| 1. Mr. Vineet Chandra Rai | - | Chairman & Director |
| 2. Mr. Rakesh Rewari | - | Independent Director |
| 3. Ms. Matangi Gowrishankar | - | Independent Director |
| 4. Ms. Suma Swaminathan | - | Nominee Director |
| 5. Mr. Anurag Agrawal | - | Director |
| 6. Mr. Nikesh Kumar Sinha | - | Managing Director |
| 7. Mr. Sagar Thakar | - | Nominee Director |
| 8. Mr. Amol Warange | - | Additional Nominee Director |

e. Declaration from Independent Directors:

The Company has received declarations from Mr. Rakesh Rewari and Ms. Matangi Gowrishankar, Independent Directors of the Company, confirming that they met the criteria of independence as stipulated in Section 149(6) of the Act read with rules framed thereunder.

f. Disqualification of Directors:

The Company has received declarations from all the Directors including Independent Directors of the Company confirming that they are not disqualified on account of non-compliance with any of the provisions of the Act and as stipulated in Section 164 of the Act.

g. Declaration of Fit & Proper Criteria:

All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the Criteria prescribed by RBI.

h. Annual Performance Evaluation of the Board:

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the Directors individually (including Chairman). The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company was made based on the questionnaire to evaluate the performances of Executive, Non-Executive Directors. Accordingly, Directors other than Independent Directors evaluated the performance of Independent Directors and the Board as a whole based on the questionnaire to evaluate the performances of Independent Directors. The evaluation framework for assessing the performance of Directors comprised of the following key areas:

- i. Structure and Composition of Board;
- ii. Corporate Culture;
- iii. Board Effectiveness;
- iv. Board Information;
- v. Board Functioning;
- vi. Performance Evaluation

i. Key Managerial Personnel (KMP):

During the year under review, Mr. Nikesh Kumar Sinha, Managing Director, Ms. Kiran Agarwal Todi, Chief Financial Officer, and Ms. Monika Variava, Company Secretary and Compliance Officer are the Key Managerial Personnel (KMP) of the Company. There were no changes that occurred in the KMP of the Company.

MANAGERIAL REMUNERATION AND OTHER DETAILS:

The necessary details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration and other details pursuant to the Section 197(12) of the Act and as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as an **Annexure-B** with this report.

The statement containing particulars of employees as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of the Board's Report. In terms of Section 136 of the Act, the Board's Report and the Accounts are being sent to the Members excluding the aforesaid annexure and the same is open for inspection at the Registered Office of the Company. A copy of the statement may be obtained by the Members, by writing to the Company Secretary and Compliance Officer of the Company.

POLICY ON DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company's policy relating to the appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Act and the 'fit and proper' criteria to be adopted at the time of appointment of Directors and continuingly, pursuant to the Non- Banking Financial Companies (NBFC) – Corporate Governance (Reserve Bank) Directions 2015 issued by the RBI and adopted by the Company is annexed as an **Annexure-C** with this report. During the year under review, the Board of Directors of the Company in its meeting held on 03-Feb-2023 revised its Nomination and Remuneration Policy as per Scale Based Regulation (SBR) – A Revised Regulatory Framework for NBFCs' and guidelines on Compensation of Key Managerial Personnel (KMPs) and Senior Management (SM) in NBFCs by RBI. The Nomination and Remuneration Policy consisting of salient features are available on the Company's website at <https://www.ashvfinance.com/investor-relations/>.

CORPORATE GOVERNANCE:

The Company recognizes its role as a corporate citizen and endeavors to adopt good practices, and standards of corporate governance through transparency in business ethics, accountability to its customers, government and various stakeholders for building the strong foundation of the Company.

Thus, with constant aim to safeguard the interest of all stakeholders and in accordance with terms of the RBI Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company had framed and adopted the Corporate Governance Policy duly approved by the Board of Directors of the Company. The report on the Corporate Governance of the Company as of 31-Mar-2023 be and is hereby annexed as an **Annexure-D** to this report. During the year under review, the Board of Directors of the Company in its meetings held on 02-May-2022, 14-Nov-2022 and 03-Feb-2023 revised its

Corporate Governance Policy. The said policy is available on the website of the Company at <https://www.ashvfinance.com/investor-relations/>.

BOARD AND COMMITTEE MEETINGS:

During the year under review, the Board of Directors of the Company met 5 times. The details of meetings of the Board and its Committees held during the year are specified in the Corporate Governance Report of the Directors which forms parts of this report. The intervening gap between the two Board meetings was within the period prescribed under the Act.

CORPORATE SOCIAL RESPONSIBILITY:

As per Section 135 of the Act, your Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board to support the Company in achieving the CSR objectives of the Company. Details of the constitution of the CSR Committee are provided in the Corporate Governance Report which forms parts of this report.

CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy in line with CSR activities as defined in Schedule VII of the Act, which has been approved by the Board. During the year under review, there were no changes in the said policy recommended by CSR Committee and approved by the Board. Corporate Social Responsibility Policy is available on the Company's website at <https://www.ashvfinance.com/investor-relations/>.

The average net profit for Immediate previous financial year is below the threshold limit, as specified in section 135 of the Act, your Company was not required to spend any amount towards CSR during the financial year under review.

Further, the Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, forming part of this Annual Report is hereby annexed as an **Annexure -E**.

RISKS MANAGEMENT AND AREAS OF CONCERN:

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, technology risk, operational risk etc. The Company has in place a Board-approved Credit Risk Policy, Asset Liability Management Policy, Environment, Social and Governance Risk Policy, Liquidity Risk Management Policy for addressing the various risks associated with the Company's lending business and treasury operations.

The Risk Committee of the Board constituted in accordance with the RBI guidelines has overall responsibility for overseeing the Risk management activities of the Company. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. The details of the Risk Committee have been provided in the Corporate Governance Report forming part of this report.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Act state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;
- (b) the Directors had 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 at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the Audit and Compliance Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2022-23.

STATUTORY AUDITORS:

The financial statements of the Company for the financial year ended 31-Mar-2023 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act. The notes to the accounts referred to in Auditors Report are self-explanatory. The Statutory Auditors' Report on the financial statements for the financial year 2022-23 does not contain any qualification, reservation, or adverse remark.

The Company in its Annual General Meeting held on 28-Jul-2021 appointed Batliboi & Purohit, Chartered Accountants, having ICAI Firm Registration No. 101048W, as Statutory Auditor of the Company to hold the office for a period of five consecutive years starting from the financial year ending 31-Mar-2022, from the conclusion of 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting of the Company and delegated the powers to the Board of Directors /Committee to fix their remuneration.

Reserve Bank of India vide its notification dated 27-Apr-2021 issued guidelines for the appointment of statutory auditors by non-banking financial companies having asset size more than ₹1000 crore, applicable from the second half of the financial year 2021-22 which inter-alia mandates tenure of statutory auditors to be for a continuous period of three (3) years subject to the firms satisfying the eligibility norms each year. Since the Company has crossed its asset size above ₹1,000 crore as per the Audited Financial Statements of FY23, the said notification is applicable to the Company.

As per footnote 11 of the said RBI notification, the audit firms which have already completed the tenure of 1 year or 2 years with any Entity may be permitted to complete the balance tenure only, i.e. 2 years and 1 year respectively if they fulfil the eligibility norms on an annual basis.

In view of the above, Batliboi & Purohit, Chartered Accountants, have already completed the tenure of 2 years as Statutory Auditor of the Company for FY22 and FY23 and shall be eligible to be appointed as Statutory Auditor of the Company for conducting the Audit for balance tenure of 1 year i.e., for FY24 and shall hold the office till the conclusion of 26th Annual General Meeting of the Company.

Upon recommendation of the Audit and Compliance Committee, the Board of Directors has approved the appointment of Batliboi & Purohit, Chartered Accountants as a Statutory Auditors of the Company to hold office for balance tenure of 1 year.

Your Directors recommend to the Members of the Company, the appointment of Batliboi & Purohit, Chartered Accountants, as Statutory Auditors of the Company to hold office for balance tenure of 1 year i.e., for FY24 and shall hold the office till the conclusion of 26th Annual General Meeting of the Company.

The Company has received Form B from Batliboi & Purohit, Chartered Accounts, Statutory Auditor of the Company confirming to the effect that they are complying with all the eligibility norms prescribed by the RBI

FRAUD REPORTED BY AUDITORS:

During the year under review, neither the Statutory Auditor nor Secretarial Auditor have reported any instances of frauds committed in the Company by its officers or employees to the Audit and Compliance Committee of the Board and the Board of Directors under Section 143 of the Act, details of which need to be mentioned in this report.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has devised a proper system of internal financial control which is commensurate with the size and nature of the Business. Our Co-sourced Internal Auditor i.e., Protiviti India Member Private Limited (Protiviti), Chartered Accountants, monitors and evaluates internal audit function, corrective action in their respective areas and thereby strengthens the controls and reports the same on half yearly basis to the Audit and Compliance Committee of the Board.

Also, they have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on 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.

INTERNAL CONTROL SYSTEMS:

The Company has an internal control system that is commensurate with the size, scale and complexity of its operations. The Co-Sourced Internal Auditor monitors the efficiency of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit and Compliance Committee of the Board.

MAINTENANCE OF COST RECORDS:

The Company being Non-Banking Finance Company, maintenance of cost records as prescribed under Section 148 of the Act is not applicable.

SECRETARIAL AUDIT REPORT:

According to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31-Mar-2023. The Secretarial Audit Report is annexed and forming part of this report as an **Annexure-F**.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates on the date of this report other than the Covid pandemic that has impacted the whole industry.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

The Company has a Vigil Mechanism in place to deal with instances of fraud and mismanagement if any. The mechanism also provides for adequate safeguards against victimization of Directors and Employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit and Compliance Committee of the Board in exceptional cases. The Company also provides direct access to the Chairman of the Audit and Compliance Committee on reporting issues concerning the interests of employees and the Company.

We affirm that during the financial year 2022-23, no Employees or Directors were denied access to the Audit and Compliance Committee. The Whistle Blower Policy and Vigil Mechanism is available on the Company's website at <https://www.ashvfinance.com/investor-relations>

FAIR PRACTICE CODE:

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on the terms and conditions relating to the receipt of loan applications from prospective borrowers and processing thereof, sanction, monitoring and recovery of loans and other financial products being offered by it etc. During the year under review, the Board of Directors of the Company in its meeting held on 05-May-2022 revised its Fair Practice Code as per Master Direction of RBI. FPC is available on the Company's website at <https://www.ashvfinance.com/investor-relations/>.

KNOW YOUR CUSTOMER (KYC) GUIDELINES & ANTI-MONEY LAUNDERING (AML) POLICY:

In terms of the circular(s) and direction(s) on KYC Norms and AML Measures issued by the RBI including Know Your Customer (KYC) Direction, 2016, the Prevention of Money Laundering Act, 2002 and rules made thereunder and as amended from time to time, the Board of Directors has adopted KYC & AML Policy with an objective to prevent NBFCs being used, intentionally or unintentionally by criminal elements for money laundering activities by way of making reasonable efforts to determine the identity and beneficial ownership of accounts, source of funds, the nature of customer's business, the reasonableness of operations in the account in relation to the customer's business, etc. which in turn helps the Company to manage its risk prudently.

During the year under review, the Board of Directors of the Company in its meeting held on 03-Aug-2022 revised its Know Your Customer (KYC) Guidelines & Anti-Money Laundering (AML) Policy to align

it with circulars and master direction issued by RBI. The KYC & AML Policy is available on the Company's website at <https://www.ashvfinance.com/investor-relations/>.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Board of Directors of the Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretary and Compliance Officer of India and that such systems are adequate and operating effectively.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

During the year under review, no applications were filed against the Company by any financial or operational creditors.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN THE FUTURE:

During the year under review, there were no significant or material orders passed by any regulator or court or tribunal, which impacts the going concern status of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information as required under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding the conversation of energy, technology absorption is not applicable as the Company is not carrying on any manufacturing activity during the year.

The particulars regarding foreign exchange earnings and outgo during the year under review are as under:

Particulars	₹ in lakhs)	
	2022-23	2021-22
Total Expenditure in Foreign Currency	21.60	19.37
Total Earnings in Foreign Currency	-	-

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

According to Section 186(11)(a) of the Act read with the Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 and any amendment thereto from time to time, the loans made, guarantee given or security provided in the ordinary course of business by an NBFC registered with RBI are exempt from the applicability of provisions of Section 186 of the Act. Hence, particulars of the loans and guarantees have not been disclosed in this report. The details of the loan made and particulars of current investments and non-current investments are furnished under Notes to Accounts of financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

During the year under review, all related party contracts/arrangements/transactions were placed before the Audit and Compliance Committee of the Board for its approval and statement of all related party transactions carried out was placed before the Audit and Compliance Committee and the Board of Directors on periodic basis. The Company has entered into certain transactions/contracts with the related parties falling within the provisions of Section 188 of the Act and rules made thereunder. The Company also has obtained Omnibus approval for the same, accordingly, the particulars of material

Contracts or Arrangements made with related parties pursuant to Section 188 of the Act, in Form AOC-2 as prescribed under Companies (Accounts) Rules, 2014 relating to Accounts of Companies under the Act as on 31-Mar-2023, is annexed as an **Annexure-G** with this report.

The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements. The Members may kindly refer to the same.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the website of the Company. The same is available on the company's website at <https://www.ashvfinance.com/investor-relations/>.

EXTRACT OF ANNUAL RETURN:

According to the provisions of Section 134(3)(a) and Section 92(3) of the Act, the Annual Return of the Company in the prescribed Form MGT-7 is available on the Company's website at <https://www.ashvfinance.com/investor-relations/>.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, the Company does not have any Subsidiary, Joint venture or Associate Company.

PUBLIC DEPOSITS:

Your Company is a non-deposit taking Company (NBFC-ND-SI). During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. The Company has passed a resolution for the non-acceptance of deposits from the public. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The detailed report on Management Discussion and Analysis is hereby annexed as an **Annexure-H** with this report.

REPORTING UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination and to boost their confidence, morale and performance. The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment from all offices of the Company. The Company has also adopted the Policy on Anti-Sexual Harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy. To build awareness in this area, the Company is continuously providing training to employees of the Company and has placed extract of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 at the entrance of all offices of the Company along with contact details of the Members of Internal Complaints Committee.

During the financial year 2022-23, the Company has not received any complaint on sexual harassment.

CREDIT RATING:

Your Company's financial discipline and prudence is reflected in the strong credit rating ascribed by Credit Rating Agencies as under:

Instrument	Date of Rating Obtained	Rating Agency	Rating	Amount (₹ In Lakhs.)
Proposed Principal Protected Market Linked Debenture (PP-MLD)	24-Jun-22	India Rating & Research	IND PP-MLD BBB emr/ Positive	4,500.00
Bank Loan	24-Jun-22	India Rating & Research	BBB, Positive	5,000.00
Long Term Bank Facilities	25-Jan-23	CARE	CARE BBB; Stable	20,000.00
Bank Facility	20-Dec-21	Acuite	Acuite BBB+/Stable	5,000.00
Non-Convertible Debenture	28-Jun-22	Acuite	Acuite BBB+/Stable	15,000.00
Non-Convertible Debenture	24-Jun-22	CARE	CARE BBB; Stable	8,000.00

CAPITAL ADEQUACY RATIO:

Your Company is well capitalized and has a capital adequacy ratio of 20.75% as of 31-Mar-2023 as against the minimum regulatory requirement of 15.00 % for non-deposit accepting NBFCs.

LISTING OF SECURITIES:

Non-convertible Debentures of the Company are listed on BSE Limited and your Company has paid required listing fees to BSE Limited.

RBI GUIDELINES:

Your Company is a Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI) and has complied with and continues to comply with all applicable regulations and directions issued by RBI from time to time.

ACKNOWLEDGEMENTS:

Your Board of Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities including RBI for the continued support extended to your Company during the year under review. Your Directors also acknowledge gratefully the Members for their support and confidence in the Company, its team, and customers.

For and on behalf of the Board of Directors

SD/-

SD/-

Vineet Chandra Rai
Chairman
(DIN: 00606290)

Nikesh Kumar Sinha
Managing Director
(DIN: 08268336)

Place: Mumbai
Date: 29-May-2023

EMPLOYEE STOCK OPTION PLAN (ESOP)

Presently, Intellegrow Employee Stock Option Plan 2018” (Intellegrow ESOP 2018), ESOP Scheme 1 and Ashv Finance – Employee Stock Option 2021, ESOP Scheme 2 are in force. The Nomination and Remuneration Committee of the Board of the Company administers and monitors the Employee Stock Option Scheme of the Company in accordance with applicable law.

The details of the Employee Stock Option Scheme as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as follows:

Particulars		ESOP Scheme 1	ESOP Scheme 2														
		31-Mar-2023	31-Mar-2023														
a.	Options granted																
	- Outstanding at the beginning	9,97,666	0														
	- Granted during the year	6,83,251	2,83,824														
b.	Total Options granted	16,80,917	2,83,824														
c.	Options vested	13,96,997	2,83,824														
d.	Options exercised	0	0														
e.	Total number of shares arising as a result of exercise of options	0	0														
f.	Options lapsed	10,000	0														
g.	Exercise price	Rs.10/-, Rs.87.18/- and Rs.115.90/-	Rs.115.9/-														
h.	Variation in terms of options, if any	Intellegrow Employee Stock Option, 2018 was amended pursuant to the resolution passed in the Nomination and Remuneration Committee Meeting and Board of Directors Meeting held on 05-May-2022 and Shareholders of the Company in its meeting held on 27-May-2022 by increasing ESOP Pool size by 4,20,000 ESOPs with same terms and conditions as mentioned in the scheme.	-														
i.	Money realised by exercise of options	0	0														
j.	Total number of options in force	16,70,917	2,83,824														
k.	Employee wise details of options granted to																
a)	Key Managerial Personnel	2,17,500	0														
b)	Any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year	<table><tr><th>Name of Employee</th><th>Options Granted</th></tr><tr><td>Mr. Ranjan Lahiri</td><td>75,000</td></tr><tr><td>Mr. Atreya Rayaprolu</td><td>1,76,900</td></tr></table>	Name of Employee	Options Granted	Mr. Ranjan Lahiri	75,000	Mr. Atreya Rayaprolu	1,76,900	<table><tr><th>Name of Employee</th><th>Options Granted</th></tr><tr><td>Mr. Rahul Kumar Jaiswal</td><td>42,048</td></tr><tr><td>Mr. Hemant Lala</td><td>18,396</td></tr><tr><td>Mr. Atreya Rayaprolu</td><td>1,53,300</td></tr></table>	Name of Employee	Options Granted	Mr. Rahul Kumar Jaiswal	42,048	Mr. Hemant Lala	18,396	Mr. Atreya Rayaprolu	1,53,300
Name of Employee	Options Granted																
Mr. Ranjan Lahiri	75,000																
Mr. Atreya Rayaprolu	1,76,900																
Name of Employee	Options Granted																
Mr. Rahul Kumar Jaiswal	42,048																
Mr. Hemant Lala	18,396																
Mr. Atreya Rayaprolu	1,53,300																

	Mr. Priyank Rastogi	36,208
c) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil

Disclosure on Managerial Remuneration and other details

Remuneration details under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended for the financial year ended 31-Mar-2023:

Name of Director/Key Managerial Personnel	Ratio of remuneration of director to median remuneration of employees	% Increase in remuneration in the financial year
A. Non-Executive Directors		
Mr. Vineet Chandra Rai – Chairman	-	-
Mr. Rakesh Rewari - Independent Director	-	-
Ms. Matangi Gowrishankar - Independent Director	-	-
Mr. Amol Warange - Nominee Director	-	-
Ms. Suma Swaminathan – Nominee Director	-	-
Mr. Sagar Thakar – Nominee Director	-	-
Mr. Anurag Agrawal – Director	-	-
B. Executive Director		
Mr. Nikesh Kumar Sinha – Managing Director	30	20%
C. Key Managerial Personnel		
Ms. Kiran Agarwal Todi - Chief Financial Officer		20%
Ms. Monika Thadeshwar (Variava) – Company Secretary		40%
D. The percentage increase in the median remuneration of employees in the financial year other than Managing Director		
		9%
E. Number of permanent employees on the rolls of the Company as on 31-Mar-2023		
		483

- F. Average percentile increases 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 percentile increases in the salaries of employees other than the managerial personnel in the last financial year is 12%.

Average percentile increase in the managerial remuneration is 27%.

Annual increments, are decided by the Nomination and Remuneration Committee with the salary scale approved by the members.

- G. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

NOMINATION AND REMUNERATION POLICY

VERSION CONTROL:

Version	Date of Adoption	Change Reference	Owner	Custodian	Approving Authority
1.0	21-Apr-2015	Nomination and Remuneration policy drafted and approved by the Board	Compliance Team	Compliance Team	Board of Directors
1.1	03-Feb-2023	Nomination and Remuneration policy reviewed and updated as per Scale Based Regulation (SBR) – A Revised Regulatory Framework for NBFCs' and guidelines on Compensation of Key Managerial Personnel (KMPs) and Senior Management (SM) in NBFCs by RBI	Compliance Team	Compliance Team	Board of Directors

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Important Note:

If at any time a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars/ Directions issued by the Reserve Bank of India, from time to time, arise then the interpretation of such Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars/ Directions issued by Reserve Bank of India, from time to time, shall prevail.

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1. BACKGROUND

The Nomination and Remuneration Policy of Ashv Finance Limited ("the Company") has been prepared in accordance with the requirements of the Companies Act, 2013, ("Act") read along with the rules thereto, if any applicable.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, applicable guidelines of Reserve Bank of India, including on Corporate Governance Norms for NBFCs, 'Scale Based Regulation (SBR) – A Revised Regulatory Framework for NBFCs' and guidelines on Compensation of Key Managerial Personnel (KMPs) and Senior Management (SM) in NBFCs, as amended from time to time.

2. OBJECTIVE AND PURPOSE

The Key Objectives of the Committee would be:

- a) To oversee the framing, review, and implementation of this Policy.
- b) To ensure fit and proper status of proposed/ existing Directors as per the RBI guidelines.
- c) To guide the Board by laying down criteria and terms and conditions in relation to appointment and removal of Directors, KMP and Senior Management.
- d) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.
- e) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- f) To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- g) To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- h) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- i) To develop a succession plan for the Board and to regularly review the plan.
- j) To assist the Board in fulfilling responsibilities.
- k) To implement and monitor policies and processes regarding principles of corporate governance.

3. DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” (KMP) means

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed by the Act or rules made thereunder.

“Senior Management” means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. APPLICABILITY

This policy is applicable to all Directors, KMPs and Senior Management Personnel.

5. COMPOSITION OF COMMITTEE

- a) The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors.
- b) The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

6. ROLE AND FUNCTIONS OF THE COMMITTEE RELATED TO NOMINATION

I. Appointment Criteria and Qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) The Committee shall undertake a process of due diligence to determine the suitability of the person for appointment/continuing to hold an appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other ‘fit and proper’ criteria.

- c) A person should possess the adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- d) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who is below the age of twenty-one years or has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e) The Company shall obtain necessary information and declaration from the proposed/existing directors as per the format provided under the Companies Act, 2013 and Guidelines issued by the Reserve Bank of India from time to time.
- f) The Company shall obtain annually as on 31st March a simple declaration from the Directors the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.
- g) The Company shall ensure in public interest that the nominated/elected directors execute the deeds of covenants in the Format provided under the Guidelines issued by Reserve Bank of India from time to time.
- h) To have Directors (minimum one at least, on the Board) with relevant experience of having worked with in a Bank / NBFC, in view of the need for professional experience in managing the affairs of the Company.
- i) To appoint Key Managerial Personnel (KMP), while observing for cases, except for directorship in a subsidiary that the KMP shall not hold any office (including directorships) in any other NBFC-ML (Middle Layer) or NBFC-UL (Upper Layer). A timeline of two years is to be observed with effect from October 01, 2022 to ensure compliance with these norms. However, KMPs can assume directorship in NBFC-BLs (Base Layer).

II. Term / Tenure:

- a) **Executive Directors:**
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time subject to Board Approval. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- Within the permissible limits in terms of the Companies Act, 2013, an Independent Director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the NRC and in turn the Board of the Company shall ensure that there is no conflict arising out of its Independent Directors being on the Board of another NBFC at the same time. A timeline of two years is to be observed with effect from October 01, 2022 to ensure compliance with these norms. There shall be no restriction to directorship on the Boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013.

III. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

IV. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

V. Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. ROLE AND FUNCTIONS OF THE COMMITTEE RELATED TO REMUNERATION

I. Principles for Compensation

a) Components and risk alignment:

The compensation of Key Managerial Personnel (KMPs) and senior management needs to be reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

b) Composition of Fixed Pay:

All the fixed items of compensation, including the perquisites and contributions towards superannuation/retiral benefits, may be treated as part of fixed pay. All perquisites that are reimbursable may also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Monetary equivalent of benefits of non-monetary nature (such as free furnished house, use of company car, etc.) may also be part of fixed pay.

c) Principles for Variable Pay:

- **Composition of Variable Pay:** The variable pay may be in the form of share-linked instruments, or a mix of cash and share-linked instruments. It shall be ensured that the share-linked instruments are in

conformity with relevant statutory provisions.

- **Proportion:** The proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk taking profile of KMPs / senior management. At higher levels of responsibility, the proportion of variable pay needs to be higher. There should be proper balance between the cash and share-linked instruments in the variable pay in case the variable pay contains share linked instruments. The variable pay should be truly and effectively variable and can be reduced to zero based on performance at an individual, business-unit and companywide level. In order to do so, performance measures and their relation to remuneration packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.
- **Deferral of Variable Pay:** Not all the variable pay awarded after performance assessment may be paid immediately. Certain portion of variable pay, as decided by the Board of the Company, may be deferred to time horizon of the risks. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Deferral period for such an arrangement may be decided by the Board of the Company.
- **Control and Assurance Function Personnel:** KMPs and senior management engaged in financial control, risk management, compliance and internal audit may be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Company. Accordingly, such personnel may have higher proportion of fixed compensation. However, a reasonable proportion of compensation may be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

d) **Guaranteed Bonus:**

Guaranteed bonus may not be paid to KMPs and senior management. However, in the context of new hiring joining/sign-on bonus could be considered. Such bonus will neither be considered part of fixed pay nor of variable pay.

- e) It is to be ensured that the compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).

II. Remuneration to Managing/Whole-time / Executive Director

The Remuneration/ Compensation/ Commission etc. to be paid to Executive Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. Subject to requisite approvals, in addition to the fixed remuneration, Executive Director/Managing Director is entitled to receive remuneration within the limits prescribed under the Companies Act, 2013 and performance-based remuneration, stock options under ESOP Plan.

If, in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its Managing Director / Whole-time Director / Other Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

Further, the proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk-taking profile of Directors.

III. Remuneration to Non-Executive / Independent Director

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

IV. Remuneration to KMPs and SMPs

The KMPs and SMPs including functional heads, shall be eligible for a remuneration as per Company's Policy, which will consist of Fixed and variable components including perquisites and statutory benefits, performance-based remuneration, stock options under the ESOP Plan to attract, retain and motivate KMPs and SMPs to attain the short and long term performance objectives of the Company.

Further, the proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk taking profile of KMPs/SMPs.

V. Malus / Clawback

A malus arrangement permits the Company to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred. A clawback is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances.

Where any insurance is taken by the Company on behalf of its Directors, Managing Director, KMPs and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

The deferred compensation may be subject to malus / clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year. Upon occurrence of these or similar events, the Company may prompt to invoke the malus and clawback clauses that may be applicable on entire variable pay. While setting criteria for the application of malus and clawback, the Company may specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods (a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed).

8. DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing

the plan;

- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board;
- Scrutinize the declarations received from directors and based on the information provided in the signed declaration, the Committee shall decide on the acceptance or otherwise of the Directors, where considered necessary;
- Considering any other matters, as may be requested by the Board.

9. DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

10. REVIEW AND AMENDMENT

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Ashv is committed to the adoption of best practices of Corporate Governance and its adherence in true spirit, at all times. The Company's governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. The Corporate Governance framework of the Company is based on an effective and independent Board, separation of the Board's supervisory role from the Executive Management team and constitution of the Board Committees, as required under applicable laws. The Board functions either as a full Board or through various Committees constituted to oversee specific functions.

The Executive Management provides the Board detailed reports on the Company's performance on monthly basis. During the year under review, your Company has adopted a Board approved Corporate Governance Policy. The details of compliance with Corporate Governance requirements during the financial year ended 31-Mar-2023 ("financial year under review") are as follows:

1. BOARD OF DIRECTORS:

The Board of your Company comprises of a combination of Executive, Non-Executive, Nominee and Independent Directors. The Board is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects thlong-termrm and short-term interest of all our stakeholders. The Board has formulated various committees for handling specific responsibilities under the applicable laws i.e., Audit and Compliance Committee, Nomination and Remuneration Committee, Risk Committee, Asset Liability Management Committee, Corporate Governance & Executive Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Product, Process, Credit Policy and Grievance Redressal Committee, Stakeholders Relationship Committee.

1.a. Composition: As of 31-Mar-2023, the Board of Directors of the Company ("the Board") comprises of 8 (Eight) Directors, which includes 2 (Two) Independent Directors, 5 (Five) Non-Executive Directors and 1 (One) Managing Director. The Chairman of the Board is a Non-Executive Director. Out of 8 (Eight) Directors, 2 (Two) Directors on the Board are Women Directors.

In terms of the provisions of the Companies Act, 2013 (Act), the Directors submit necessary disclosures regarding the positions held by them on the Board of other public and/or private Companies, from time to time. All Independent Directors on the Board are Non-Executive Directors. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act. As per the declarations received, none of the Directors serve as an Independent Director in more than seven listed Companies. The brief profile of the present Directors on the Board is available on the Company's website at <https://www.ashvfinance.com/about-us/>.

The details of the Composition of Board of Directors of the Company as of 31- Mar-2023 are as follow:

Sl. No.	Name of Director	Director since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration in Rs.			No. of shares held in and convertible instruments held in the NBFC	Attended Last AGM
					Held	Attended		Salary and other compensation	Sitting Fee	Commission		
1.	Mr. Vineet Chandra Rai	27-Jul-2012	Non-Executive, Chairman	00606290	5	3	10	-	2,90,000	-	NIL	No
2.	Mr. Rakesh Rewari	26-Sep-2013	Independent Director	00286853	5	4	7	-	4,60,000	-	NIL	Yes
3.	Ms. Matangi Gowrishankar	12-Mar-2020	Independent Director	01518137	5	4	12	-	2,15,000	-	NIL	Yes
4.	*Mr. Amol Warange	01-Oct-2022	Additional Nominee Director	08730398	5	3	4	-	-	-	NIL	NA
5.	Ms. Suma Swaminathan	12-May-2020	Non-Executive Nominee	08735282	5	5	0	-	-	-	NIL	Yes
6.	Mr. Anurag Agrawal	10-Dec-2012	Non-Executive Nominee	02385780	5	5	5	-	4,55,000	-	20,732 Equity Shares	Yes
7.	Mr. Nikesh Kumar Sinha	30-Oct-2018	Executive	08268336	5	5	0	2,55,000,000	-	-	3,100 Equity Shares	Yes
8.	Mr. Sagar Thakar	09-Feb-2022	Non-Executive Nominee	09481269	5	3	0	-	-	-	NIL	No

*Appointed w.e.f. 01-Oct-2022

Details of change in the composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective date
1	Ms. Anuradha Ramachandran	Non-Executive Nominee	Resignation	W.e.f. closure of Business hour of 30-Sep-2022
2	Mr. Amol Warange	Non-Executive Nominee	Appointment	01-Oct-2022
3	Mr. Sagar Thakar	Non-Executive Nominee	Appointment	09-Feb-2022

1.b. Non-Executive Directors Compensation and Disclosures: Sitting fees paid to Independent Directors and Non-Executive Directors for attending Meetings of the Board / Committees has been approved by the Board. No sitting fees were paid to Non-Executive Nominee Directors of

the Company during the financial year under review. No commission was recommended/ paid to any of Directors during the financial year under review.

1.c. Board's Functioning and Procedure: The Company's Board plays a pivotal role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibilities and accountabilities are well defined. All relevant information is regularly placed before the Board. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional Meetings are held to address specific needs and business requirements of the Company.

5 (Five) Board Meetings were held during the financial year under review. The gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The details of the Board Meetings held during the financial year under review, dates on which held and number of Directors present are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present
05-May-2022	8	6
03-Aug-2022	8	7
14-Nov-2022	8	7
03-Feb-2023	8	8
13-Mar-2023	8	6

The Directors on the Board are professionals, having expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board has an unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson. The Board periodically reviews all the relevant information, which is required to be placed before it and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure, etc. The Board provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

1.d. Code of Conduct: The Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company ("the Code"). The Code is applicable to all the Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review.

1.e. Performance Evaluation of the Board: A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and Chairman of the Board.

1.f. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Rules made thereunder as amended from time to time, one Meeting of Independent Directors was held during the year on 28-Mar-2023. The Meeting was conducted to enable Independent Directors, discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

In this Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. They have also reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary for the Board to effectively and reasonably perform and discharge their duties.

There was no relationship amongst the Directors inter-se as on 31-Mar-2023.

2. COMMITTEE OF THE BOARD AND THEIR COMPOSITION:

During the year under review, in accordance with the Act, the Board had constituted/re-constituted the below committees due to changes in the directorships of the Company as mentioned below:

- As per section 178(5) of the Companies Act, 2013, the Board of Directors of a company which consists of more than one thousand shareholders, debenture -holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee. Since one of the Debentures issued by the Company having ISIN INE411R07160 has more than one thousand debenture holders, the Company constituted the Stakeholders Relationship Committee in its Board Meeting held on 03-Feb-2023.
- During the year under review, the below committees were re-constituted:
 1. Risk Committee;
 2. Asset Liability Management Committee;
 3. Corporate Social Responsibility Committee; and
 4. Product, Process, Credit Policy and Grievance Redressal Committee
 5. IT Strategy Committee

There are currently 9 (Nine) Committees of the Board, as mentioned herein below:

1. Audit and Compliance Committee;
2. Nomination and Remuneration Committee;
3. Risk Committee;
4. Corporate Governance and Executive Committee;
5. Product, Process, Credit Policy and Grievance Redressal Committee;
6. Asset Liability Management Committee;
7. Corporate Social Responsibility Committee;
8. IT Strategy Committee;
9. Stakeholders Relationship Committee

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

1. Audit and Compliance Committee and its Composition:

Audit and Compliance Committee's composition, quorum, powers, role and scope are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Reserve Bank of India Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17

dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

As of 31-Mar-2023, Audit and Compliance Committee of the Board comprises of following members:

- a. Mr. Rakesh Rewari, Independent Director;
- b. Ms. Matangi Gowrishankar, Independent Director;
- c. Ms. Suma Swaminathan, Nominee Director

Mr. Rakesh Rewari is the Chairman of Audit and Compliance Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance Officer of the Company, acts as Secretary of the Audit and Compliance Committee.

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and Rules made thereunder as amended from time to time. The Audit and Compliance Committee of the Board reviews the reports, which are to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process. Further, all the recommendations made by the Audit and Compliance Committee of the Board have been taken up by the Board.

Below are the details of the Audit and Compliance Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rakesh Rewari	26-Sep-2013	Chairperson, Independent Director	4	4	NIL
2	Ms. Suma Swaminathan	01-Nov-2020	Non-Executive, Nominee	4	4	NIL
3	Mr. Matangi Gowrishankar	13-Mar-2020	Non-Executive, Independent Director	4	3	NIL

2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) is formed in compliance with the provisions of the Section 178 of the Companies Act, 2013 and Reserve Bank of India Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

As of 31-Mar-2023, Nomination and Remuneration Committee of the Board comprises of following members:

- a. Mr. Rakesh Rewari, Independent Director;
- b. Ms. Suma Swaminathan, Nominee Director;
- c. Mr. Anurag Agrawal, Director;
- d. Ms. Matangi Gowrishankar, Independent Director

Ms. Matangi Gowrishankar is the Chairman of Nomination and Remuneration Committee of the Board of the Company. Ms. Monika Variava, Company Secretary & Compliance Officer of the Company, acts as Secretary of the Nomination and Remuneration Committee.

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and Rules made thereunder as amended from time to time. The scope of the Committee includes an annual review of the Nomination & Remuneration Policy, recommend to the Board appointment & removal of the Directors, approve performance evaluation framework, formulate the criteria for determining qualifications, positive attributes and independence of a director, to review remuneration paid to the employees & Directors is as per the Nomination & Remuneration Policy and consider giving stock options to the employees in the form of equity shares of the Company.

Below are the details of the Nomination and Remuneration Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Ms. Matangi Gowrishankar	13-Mar-2020	Chairperson, Independent Director	5	4	NIL
2	Mr. Rakesh Rewari	26-Mar-2015	Non-Executive, Independent Director	5	4	NIL
3	Ms. Suma Swaminathan	12-May-2020	Non-Executive, Nominee	5	4	NIL
4	Mr. Anurag Agrawal	10-Dec-2012	Non-Executive	5	5	20,732 Equity Shares

3. Asset Liability Management Committee:

This Committee is constituted in compliance with the provisions of RBI Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on NBFC-SI Non-Deposit taking Company and Deposit taking Company Directions, 2016. The Company has a Board approved Asset Liability Management Policy in place and required disclosures to the effect are made from time to time. The Asset Liability Management Committee shall monitor the asset liability gap and strategies action to mitigate the risks associated with the business of the Company.

As of 31-Mar-2023, Asset Liability Management Committee of the Board comprises of following members:

- Mr. Amol Warange , Additional Nominee Director;
- Mr. Nikesh Kumar Sinha, Managing Director;
- Mr. Rakesh Rewari, Independent Director;
- Ms. Suma Swaminathan, Nominee Director;
- Mr. Sagar Thakar, Nominee Director

Members select among themselves as a Chairman of the Asset Liability Management Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and

Compliance Officer of the Company, acts as Secretary of the Asset Liability Management Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the Committee include review & management of liquidity gaps and structural liquidity of the Company, review & management of interest rate sensitivity of the Company and develop a view on future direction on interest rate movements & decide on funding mixes.

Below are the details of the Asset Liability Management Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rakesh Rewari	20-Jan-2020	Non-Executive, Independent Director	4	4	NIL
2	Ms. Suma Swaminathan	12-May-2020	Non-Executive, Nominee	4	3	NIL
3	Mr. Nikesh Kumar Sinha	30-Oct-2018	Executive, Managing Director	4	4	NIL
4	Mr. Sagar Thakar	02-May-2022	Non-Executive, Nominee	4	3	NIL
5	*Mr. Amol Warange	03-Feb-2023	Non-Executive, Nominee	4	0	NIL

**Appointed w.e.f. from 01-Oct-2022*

4. Risks Committee:

Risk Committee is constituted in compliance with the provisions of RBI Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on NBFC-SI Non-Deposit taking Company and Deposit taking Company Directions, 2016 which monitors the risk management strategy of the Company. In order to ensure best governance practices, the Company has established risk management process for each line of its business and operations. These processes have been implemented through the specific policies adopted by the Board of Directors of the Company from time to time. Nevertheless, entire processes are subjected to robust independent internal audit review to arrest any potential risks and take corrective actions.

As of 31-Mar-2023, the Risk Committee of the Board comprises of following members:

- Mr. Rakesh Rewari, Independent Director;
- Mr. Sagar Thakar , Nominee Director;
- Mr. Anurag Agrawal, Director;
- Mr. Nikesh Kumar Sinha, Managing Director;
- Amol Warange, Additional Nominee Director

Members select among themselves as a Chairman of the Risk Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance Officer of the Company, acts as Secretary of the Risk Committee.

The Risk Committee shall ensure that the risks associated with the business/functioning of the Company are identified, controlled and mitigated and shall also lay down procedures regarding managing and mitigating the risks through integrated risk management systems, strategies and mechanisms.

Below are the details of the Risk Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rakesh Rewari	26-Sep-2013	Non-Executive, Independent Director	4	4	NIL
2	Mr. Anurag Agrawal	18-Feb-2016	Non-Executive	4	4	20,732 Equity Shares
3	Mr. Nikesh Kumar Sinha	22-Jan-2019	Executive, Managing Director	4	4	NIL
4	Mr. Sagar Thakar	02-May-2022	Non-Executive, Nominee	4	3	NIL
5	*Mr. Amol Warange	03-Feb-2023	Non-Executive, Nominee	4	0	NIL

**Appointed w.e.f. from 01-Oct-2022*

5. Corporate Social Responsibility Committee:

As per Section 135 of the Act, your Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board to support the Company in achieving the CSR objectives of the Company.

As of 31-Mar-2023, the CSR Committee of the Board is made up of the following members:

- Ms. Matangi Gowrishankar, Independent Director;
- Mr. Sagar Thakar, Nominee Director;
- Ms. Suma Swaminathan, Nominee Director;
- Mr. Nikesh Kumar Sinha, Managing Director

Members select among themselves as a Chairman of the Corporate Social Responsibility Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance Officer of the Company, acts as Secretary of the Corporate Social Responsibility Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The terms of reference of the Committee includes to formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the CSR activities and to institute a transparent monitoring mechanism for implementation of the CSR activities.

Below are the details of the Corporate Social Responsibility Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Ms. Matangi Gowrishankar	13-Mar-2020	Non-Executive, Independent Director	1	1	NIL
2	Ms. Suma Swaminathan	12-May-2020	Non-Executive, Nominee	1	1	NIL
3	Mr. Nikesh Kumar Sinha	30-Oct-2018	Executive, Managing Director	1	1	NIL
4	Mr. Sagar Thakar	02-May-2022	Non-Executive, Nominee	1	0	NIL

6. Information Technology Strategy Committee:

Information Technology (IT) Strategy Committee was formed as per the provisions of RBI Master Direction No. RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to “Information Technology Framework for the NBFC Sector”.

As of 31-Mar-2023, the IT Strategy Committee of the Board is made up of the following members:

- Mr. Rakesh Rewari, Independent Director;
- Ms. Suma Swaminathan, Nominee Director;
- Mr. Amol Warange, Nominee Director;
- Mr. Nikesh Kumar Sinha, Managing Director,

Mr. Rakesh Rewari is the Chairman of IT Strategy Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance Officer of the Company, acts as Secretary of the IT Strategy Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the IT Strategy Committee include approving IT strategy & policy documents & ensuring that the management has put an effective strategic planning process in place, ascertaining that management has implemented processes & practices that ensure that the IT delivers value to the business, ensuring IT investments represent a balance of risks & benefits & their budgets are acceptable, monitoring the method that management uses to determine the IT resources needed to achieve strategic goals & provide high-level direction for sourcing & use of IT resources and ensuring proper balance of IT investments for sustaining Company's growth & becoming aware about exposure towards IT risks and controls.

During the year under review, Aneja Management Consultant Private Limited, Chartered Accountants have done Information System Audit in accordance with RBI Master Direction on Information Technology Framework for NBFCs and the same was placed before the Audit and Compliance Committee of the Board and the Board of Directors for their review and noting.

Below are the details of the IT Strategy Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Mr. Rakesh Rewari	18-Jul-2018	Non-Executive, Independent Director	2	2	NIL
2	Mr. Nikesh Kumar Sinha	08-May-2019	Executive, Managing Director	2	2	NIL
3	Ms. Suma Swaminathan	02-May-2022	Non-Executive, Nominee	2	1	NIL
4	*Mr. Amol Warange	03-Feb-2023	Non-Executive, Nominee	2	0	NIL

**Appointed w.e.f. from 01-Oct-2022*

7. Product, Process, Credit Policy & Grievance Redressal Committee:

This Committee was constituted with an objective of review from time to time the suite of products run by the company covering its fulfillment process within the regulatory compliance norms, customer service quality, viability and profitability within the objectives of the Company and approve new products and rolling out business in new geographies in which products can be rolled out, review and recommend credit policy framework in line with stipulated guidelines of the Board, customer service initiatives, overseeing the functioning of the customer service council and evolving innovative measures for enhancing the quality of customer service and improvement in the overall satisfaction level of customers etc.

As of 31-Mar-2023, the Committee of the Board is made up of the following members:

- Mr. Rakesh Rewari, Independent Director;
- Mr. Sagar Thakar, Nominee Director;
- Ms. Suma Swaminathan, Nominee Director;
- Mr. Nikesh Kumar Sinha, Managing Director

Members select among themselves as a Chairman of the Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance Officer of the Company, acts as Secretary of the said Committee.

Below are the details of the Product, Process, Credit Policy & Grievance Redressal Committee of the Board as on 31-Mar-2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Mr. Rakesh Rewari	26-Mar-2015	Non-Executive, Independent Director	0	0	NIL
2	Ms. Suma Swaminathan	12-May-2020	Non-Executive, Nominee	0	0	NIL
3	Mr. Nikesh Kumar Sinha	30-Oct-2018	Executive, Managing Director	0	0	NIL

4	Mr. Sagar Thakar	02-May-2022	Non-Executive, Nominee	0	0	NIL
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8. Corporate Governance and Executive Committee:

The Corporate Governance and Executive Committee serves as an administrative committee of the Board to facilitate approval of certain operational corporate actions that do not require consideration by the full Board.

As of 31-Mar-2023, the Corporate Governance and Executive Committee of the Board is made up of the following members:

- Mr. Vineet Chandra Rai, Chairman & Director;
- Mr. Nikesh Kumar Sinha, Managing Director;
- Mr. Anurag Agrawal, Director

Terms of reference of the Corporate Governance and Executive Committee of the Board are to borrow and invest funds, to obtain various licenses and registrations.

Mr. Vineet Chandra Rai is Chairman of the Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance of the Company, acts as Secretary of the said Committee.

Below are the details of the Corporate Governance and Executive Committee of the Board as on 31-Mar-2023:

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Vineet Chandra Rai	26-Mar-2015	Chairman, Non-Executive	11	9	NIL
2	Mr. Anurag Agrawal	26-Mar-2015	Non-Executive	11	9	20,732 Equity Shares
3	Mr. Nikesh Kumar Sinha	30-Oct-2018	Executive, Managing Director	11	11	NIL

9. Stakeholders Relationship Committee:

as per section 178(5) of the Companies Act, 2013, the Board of Directors of a company which consists of more than one thousand shareholders, debenture -holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee. Since one of the Debentures issued by the Company having ISIN INE411R07160 has more than one thousand debenture holders, the Company constituted the Stakeholders Relationship Committee in its Board Meeting held on 03-Feb-2023.

As of 31-Mar-2023, the Stakeholders Relationship Committee is made up of the following members:

- Mr. Rakesh Rewari, Independent Director;
- Mr. Anurag Agarwal, Director;
- Mr. Nikesh Kumar Sinha, Managing Director,

Mr. Rakesh Rewari is the Chairman of the Stakeholders Relationship Committee of the Board of the Company. Ms. Monika Variava, Company Secretary and Compliance Officer of the Company, acts as Secretary of the IT Strategy Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the Stakeholders Relationship Committee include to consider and resolve the grievances of security holders of the Company and to performing such other functions as may be delegated by the Board and/or regulatory authorities and other applicable law.

Below are the details of the Stakeholders Relationship Committee of the Board as on 31-Mar-2023:

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rakesh Rewari	03-Feb-2023	Non-Executive, Independent Director	0	0	NIL
2	Mr. Anurag Agrawal	03-Feb-2023	Non-Executive	0	0	20,732 Equity Shares
3	Mr. Nikesh Kumar Sinha	03-Feb-2023	Executive, Managing Director	0	0	NIL

In addition to the aforesaid committees, the Company has constituted the Credit Committee, Internal Recommendation Committee, Asset Liability Management Committee of the Management, Banking Operations Committee, Complaints Committee, Whistle Blower Committee within the powers of the Board of Directors and/or CXOs in accordance with the Shareholders Agreement for smooth operations of the functioning of the Company.

3. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of Directors and Employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit and Compliance Committee of the Board in the exceptional cases. The Company also provides direct access to the Chairman of the Audit and Compliance Committee on reporting issues concerning the interests of employees and the Company.

We affirm that during the financial year 2022-23, no Employee or Directors was denied access to the Audit and Compliance Committee. The Whistle Blower Policy and Vigil Mechanism is available on the Company's website at <https://www.ashvfinance.com/investor-relations/>.

4. GENERAL MEETINGS:**Annual General Meeting:****Details of last three Annual General Meetings:**

Date	Time	Venue	Business Transacted
27-May-2022	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	<u>Special Business:</u> <ul style="list-style-type: none"> Regularisation of appointment of Mr. Sagar Shyamkant Thakar, Additional Director, Nominee as a Nominee Director of the Company; Approval for revision in remuneration payable to Mr. Nikesh Kumar Sinha, Managing Director of the Company Approval for the increase in the limit of the ESOP Pool Size of Intellegrow Employee Stock Option Plan 2018 ("ESOP Scheme 1") Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company under section 180(1)(a) of the Companies Act, 2013 Increase in the Borrowing Limits under section 180(1) of the Companies Act, 2013 Offer and Issue of Non-Convertible Debentures of the Company on a Private Placement basis Approval for Ratification of Addendum No.6 to the Sourcing and Servicing Agreement dated 08-May-2018 entered with Tribe Tech Private Limited; Approval for Ratification of Addendum to the Facility Agreement dated 08-Jul-2020 (W.r.t. Loan) entered with Tribe Tech Private Limited; Recording of change in the 'appointed date' in the Scheme of Arrangement for de-merger between TribeTech Private Limited (Transferor Company) with Ashv Finance Limited (earlier known as Jain Sons Finance Limited) (Transferee Company)
28-Jul-2021	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	<u>Special Business:</u> <ul style="list-style-type: none"> Approval to contribute to bona fide and charitable funds in terms of section 181 of the Companies Act, 2013 Approval for revision in remuneration payable to Mr. Nikesh Kumar Sinha, Managing Director of the Company Approval for the increase in the limit of the ESOP Pool Size of Intellegrow Employee Stock Option Plan 2018 ("ESOP Scheme 1") Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets

			of the Company under section 180(1)(a) of the Companies Act, 2013 <ul style="list-style-type: none"> • Increase in the Borrowing Limits under section 180(1)(c) of the Companies Act, 2013 • Offer and Issue of Non-Convertible Debentures of the Company on a Private Placement basis
22-May-2020	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	Special Business: <ul style="list-style-type: none"> • Regularisation of appointment of Ms. Matangi Gowrishankar, Additional Director, Non-Executive & Independent as an Independent Director of the Company • Regularisation of appointment of Ms. Suma Swaminathan, Additional Director, Nominee as a Nominee Director of the Company • Approval to contribute to bona fide and charitable funds in terms of section 181 of the Companies Act, 2013 • Approval for entering into Debt Syndicate Agreement with Intellectap Advisory Services Private Limited • Approval for granting of loan(s) to TribeTech Private Limited

The Company has conducted the said meeting in compliance with applicable provisions, rules and regulations of the Companies Act, 2013 and in accordance with circulars issued by the Ministry of Corporate Affairs on time to time.

Extra-Ordinary General Meeting:

Date	Time	Venue	Business Transacted
21-Nov-2022	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	<ul style="list-style-type: none"> • Approval for granting of top up Loan to TribeTech Privat Limited
15-Feb-2023	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	<ul style="list-style-type: none"> • Approval for alteration in the Object Clause of the Memorandum of Association of the Company

The Company has conducted the said meetings in compliance with applicable provisions, rules and regulations of the Companies Act, 2013 and in accordance to circulars issued by Ministry of Corporate Affairs on time to time.

5. Details of non-compliance with requirements of the Companies Act, 2013:

The Company is in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

6. Details of penalties and Strictures

There was on penalties or stricture imposed by RBI or any other statutory authority for FY2022-23.

7. Other Disclosures:**7.a. Related Party Transactions:**

During the financial year, the Company had entered into related party transactions which were on an arm's length basis and in the ordinary course of business. All related party transactions have been approved by the Audit and Compliance Committee of the Company.

The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements. The shareholders may kindly refer to the same.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the website of the Company. The same is available on the company's website at <https://www.ashvfinance.com/investor-relations/>.

7.b. Performance Evaluation criteria for Independent Directors: The Directors other than Independent Directors of the Company evaluate the performance of Independent Directors on following criteria as to how an Independent Director:

1. Invests time in understanding the Company and its unique requirements;
2. Brings in external knowledge and perspective to the table for discussions at the Meetings;
3. Expresses his/ her views on the issues discussed at the Board; and
4. Keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level

7.c. Investor Grievance:

Ms. Monika Variava, Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI Listing Regulations and also acting as Grievance Redressal Officer of the Company.

In case of any query, stakeholders can send email on monika.thadeshwar@ashvfinance.com

As of 31-Mar-2023, there were no investor complaints pending.

7.d. General Shareholders Information:**Company Registration details:**

The Company is based in Mumbai and operates in 35 geographies at present.

CIN: U65910MH1998PLC333546

RBI Regn. No.: B-13.02376

7.e. Listing on Stock Exchange:**i. Equity Shares:**

Equity Shares of the Company are not listed with any of the stock exchanges.

ii. Debt Securities:

Non-Convertible Debentures issued by the Company from time to time are listed on BSE Limited.

8. Website Disclosures:

All important information relating to the Company and its performance, including financial results, are posted on the website of the Company <https://www.ashvfinance.com>

The quarterly financial results of the company are published in the leading newspaper viz. Business Standards.

X-X-X-X-X-X-X-X-X-X

The Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

The CSR Policy of the Company is guiding document to suitably allocate, manage and supervise prescribed CSR funds of the Company. It includes CSR activities towards social and economic development of the Company, Budget, Project identification, monitoring, review etc. The CSR Policy of the Company is line with Section 135 of the Companies Act, 2013, CSR Rules and Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee as on 31-Mar-2023 :

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises of one Independent Director, two Nominee Directors and Managing Director as on 31-Mar-2023.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Matangi Gowrishankar	Independent Director	1	1
2	Mr. Sagar Thakar	Nominee Director	1	0
3	Ms. Suma Swaminathan	Nominee Director	1	1
4	Mr. Nikesh Kumar Sinha	Managing Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: Composition of CSR Committee and CSR Policy is uploaded on the link here <https://www.ashvfinance.com/investor-relations/>

Since, the average net profit for the immediate previous financial year is below the threshold limit, as specified in section 135 of the Act, your Company was not required to spend any amount towards CSR during the financial year under review. Thus, No CSR projects are recommended by the CSR Committee of the Board and the Board of Directors of the Company.

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) (2020-21, 2021-22 and 2022-23): ₹2,22,35,667/-

7. Computation of CSR Obligation:

(a) Two percent of average net profit of the Company as per section 135(5): Nil

(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): Nil

8. (a) CSR amount spent or unspent for the financial year: Not Applicable

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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 the Fund	Amount	Date of transfer
	Not Applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	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 Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through implementing Agency
				State	District						Name CSR registration number
1.	Not Applicable										
Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	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 Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
				State.	District.			Name. CSR registration number.
1.	Not Applicable							
Total								

(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): Nil

(g) Excess amount for set off, if any: Nil

(h)

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (inRs.)	Amount spent in the reporting Financial Year (in Rs.)	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 Rs.)
1	Not Applicable						
Total							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed /Ongoing.
1	Not Applicable							
Total								

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: Not Applicable

(Asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

SD/-

Nikesh Kumar Sinha
(Managing Director)
DIN: 08268336

SD/-

Matangi Gowrishankar
(Chairperson of CSR Committee)
DIN: 01518137



FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Ashv Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ashv 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, to the extent the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 generally 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 made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder of Foreign Direct Investment to the extent applicable to the Company;
- (v) 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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (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 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) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
 - (a) Prevention of Money Laundering Act, 2002;
 - (b) Credit Information Companies (Regulations) Act, 2005; and
 - (c) Reserve Bank of India Act, 1934 and the directions issued by Reserve Bank of India thereunder and as applicable to Non-Banking Financial Companies in so far as submission of various returns/information or other particulars to be filed with the Reserve Bank of India.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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 was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, 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.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a. Approval for the increase in the limit of the ESOP Pool Size of Intellegrow Employee Stock Option Plan 2018 ("ESOP Scheme 1");
- b. Authorization to the Board to mortgage, create charges on all or any of the assets of the Company u/s 180(1)(a) of the Companies Act, 2013 upto Rs.12,00,00,00,000/- (Indian Rupees One Thousand Two Hundred Crore Only)
- c. Approval for fixing the borrowing limits u/s. 180(1)(c) of the Companies Act, 2013 upto Rs.1200,00,00,000/- (Indian Rupees One Thousand Two Hundred Crore Only)
- d. Approval for fixing of limit for issuance of Non-Convertible Debentures on private placement basis upto 500,00,00,000/- (Indian Rupees Five Hundred Crore Only) or upto the limit within the overall borrowing limits of the Company as approved by the Members of the Company whichever is higher;
- e. Noting of the order received from Hon'ble NCLT approving the Scheme of Arrangement between TribeTech Private Limited and Ashv Finance Limited;
- f. Approval for issuance and allotment of 75,34,768 Equity Shares of the Company to the Shareholders of TribeTech Private Limited (Transferor Company) pursuant to the approval on the Scheme of Arrangement;

- g. Allotment of 150 Rated, Senior, Unlisted, Taxable, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.10,00,000/- each on private placement basis;
- h. Allotment of 300 Senior, Rated, Secured, Taxable, Unlisted, Redeemable, Non-Convertible Debentures of face value of Rs.10,00,000/- each on private placement basis;
- i. Allotment of 20000 Rated, Secured, Senior, Unlisted, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.10,000/- each on private placement basis;
- j. Allotment of 200 Rated, Senior, Secured, Listed, Redeemable, Transferable Non-Convertible Debentures of face value of Rs.10,00,000/- each on private placement basis;
- k. Allotment of 1000 Rated, Secured, Senior, Unlisted, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.1,00,000/- each on private placement basis;
- l. Allotment of 20000 Rated, Unlisted, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures of face value of Rs.10,000/- each on private placement basis;

Place: Mumbai
Date: May 22, 2023

Signature:

For Parikh & Associates
Company Secretaries

Mitesh Dilip
Dhabliwala

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000352477
PR No.: 1129/2021

Digitally signed by Mitesh Dilip Dhabliwala
DN: cn=M, o=Personal, title=4146,
pseudonym=CAA7AC2B41698AEFD6C39FCF192
57E29B3BE77T7,
2.5.4.20=93dfe8136c40c0a2dd48dd81e0a324bc
cdda8397ae00205ac7cb12d8b568b799,
postalCode=400056, st=Maharashtra,
serialNumber=276A7AE95C804FA7001EBCF53A
8EDC03272635DE80558851E40027T5756775F A,
cn=Mitesh Dilip Dhabliwala
Date: 2023.05.22 17:14:49 +05'30'

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Ashv Finance Limited

Our report of even date is to be read along with this letter.

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.
2. We have followed the audit practices and process 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 process 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.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. 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 procedure on test basis.
6. 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: Mumbai
Date: May 22, 2023

Signature:

For Parikh & Associates
Company Secretaries

Mitesh Dilip
Dhabliwala

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000352477
PR No.: 1129/2021

Digitally signed by Mitesh Dilip Dhabliwala
DN: c=IN, o=Parikh & Associates, ou=Company Secretaries, email=m.dhabliwala@parikhassociates.com, serialNumber=276A7AE95C804FA7001EBCF53A8E, cn=Mitesh Dilip Dhabliwala
Date: 2023.05.22 17:15:38 +05'30'

Related Party Transaction Disclosure as per Section 188 of the Companies Act 2013**FORM AOC - 2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2.i. Details of contracts or arrangements or transactions at arm's length basis: The following contracts or arrangements or transactions are at arm's length basis:

Name of the Related Party	Nature of Relationship	Nature of Contracts	Duration of the Contracts	Salient Terms	Date of Board approval	Date of Special Resolution
TribeTech Private Limited	Common Directors/Shareholders	Addendum to Sourcing and Servicing Agreement	As mentioned in the Agreement.	Transaction was done for utilizing the service for sourcing, credit reference check, servicing, collections for the credit to borrowers as per the terms as defined in Sourcing and Servicing Agreement.	05-May-2022	27-May-2022
TribeTech Private Limited	Common Directors/Shareholders	Addendum to Facility Agreement	As mentioned in the Agreement.	Transaction was done to provide top up loan to be disbursed in one or multiple tranches.	05-May-2022	27-May-2022
Arohan Financial Services Limited	Common Directors/Shareholders	Cost Sharing Agreement	As mentioned in the Agreement.	Transaction was done for accrued rent for shared premises at Lucknow & Kolkata	04-May-2022 (Audit and Compliance Committee Meeting)	-
Aavishkaar Venture Management Services Private Limited	Common Directors	Cost Sharing Agreement	As mentioned in the Agreement.	Transaction was done for shared premises at BKC and diligent cost sharing	04-May-2022 (Audit and Compliance Committee Meeting)	-

Arohan Financial Services Limited	Common Directors	Cost Sharing Agreement	As mentioned in the Agreement.	Transaction was done for Accrued Rent for shared premises at Hyderabad	04-May-2022 (Audit and Compliance Committee Meeting)	-
Aavishkaar Venture Management Services Private Limited	Common Directors	Addendum to Cost Sharing Agreement	As mentioned in the Agreement.	Transaction was done for shared premises at BKC diligent cost sharing	04-May-2022 (Audit and Compliance Committee Meeting)	-
Intellectcap Advisory Services Private Limited	Common Directors/Shareholders	Capital Advisory Contract	As mentioned in the Agreement.	Transaction was done for extension of Capital Advisory Services till 31-Mar-2023	29-Jun-2020	07-Jul-2020
Arohan Financial Services Limited	Common Directors	Cost Sharing Agreement	As mentioned in the Agreement.	Transaction was done for accrued rent for shared premises at Lucknow	04-May-2022 (Audit and Compliance Committee Meeting)	-
Intellectcap Advisory Services Private Limited	Common Directors/Shareholders	Service Contract	As mentioned in the Agreement.	Transaction was done for Shared services for Housekeeping and insurance for Hyderabad premises.	04-May-2022 (Audit and Compliance Committee Meeting)	-

Note: No advance is payable or paid in respect of any of the above transactions.

For and on behalf of the Board of Directors

SD/-

SD/-

Vineet Chandra Rai
Chairman
 (DIN: 00606290)

Nikesh Kumar Sinha
Managing Director
 (DIN: 08268336)

Place: Mumbai
 Date: 29-May-2023

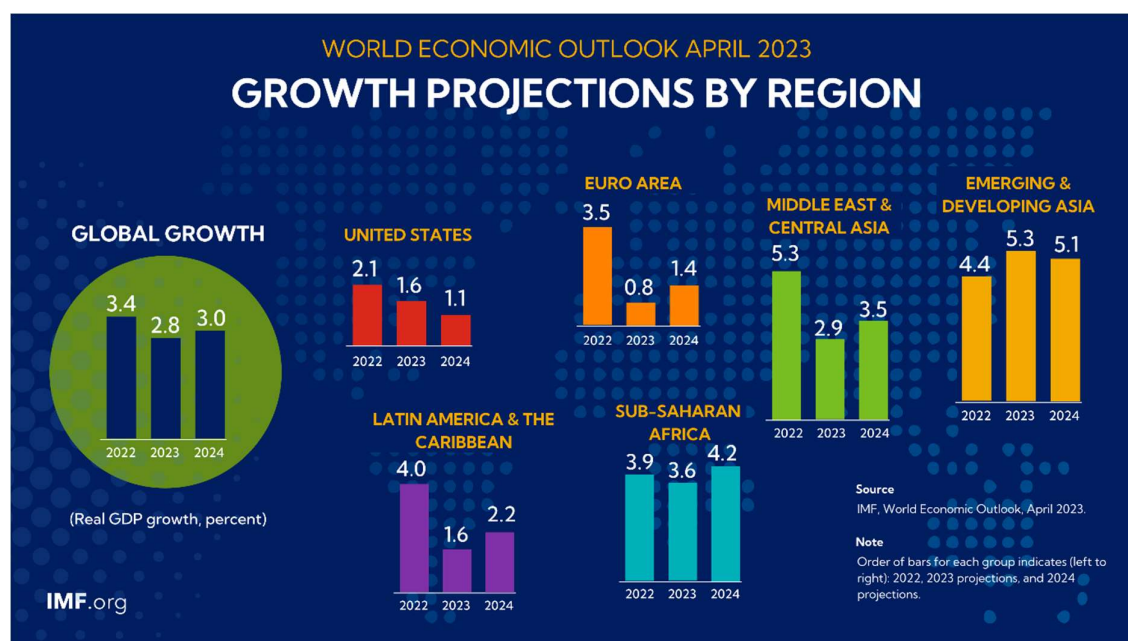
MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

GLOBAL OUTLOOK

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.



The January 2023 World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

(Source: IMF)

DOMESTIC OUTLOOK

The inflation trajectory for 2023-24 would be shaped by both domestic and global factors. The expectation of a record rabi foodgrains production bodes well for the food prices outlook. The impact of recent unseasonal rains and hailstorms, however, needs to be watched. Milk prices could remain firm due to high input costs and seasonal factors. Crude oil prices outlook is subject to high uncertainty. Global financial market volatility has surged, with potential upsides for imported inflation risks. Easing cost conditions are leading to some moderation in the pace of output price increases in manufacturing and services, as indicated by the Reserve Bank's enterprise surveys. The lagged pass-through of input costs could, however, keep core inflation elevated. Taking into account these factors and assuming an annual average crude oil price (Indian basket) of US\$ 85 per barrel and a normal monsoon, CPI inflation is projected at 5.2 per cent for 2023-24, with Q1 at 5.1 per cent, Q2 at 5.4 per cent, Q3 at 5.4 per cent and Q4 at 5.2 per cent, and risks evenly balanced.

FY-24 CPI Inflation Projections - Reserve Bank and Professional Forecasters			
(Per cent)			
Q1	Q2	Q3	Q4
5.1	5.4	5.4	5.2

A good rabi crop should strengthen rural demand, while the sustained buoyancy in contact-intensive services should support urban demand. The government's thrust on capital expenditure, above trend capacity utilization in manufacturing, double digit credit growth and the moderation in commodity prices are expected to bolster manufacturing and investment activity. According to the RBI's surveys, businesses and consumers are optimistic about the future outlook. The external demand drag could accentuate, given slowing global trade and output. Protracted geopolitical tensions, tight global financial conditions and global financial market volatility pose risks to the outlook. Taking all these factors into consideration, real GDP growth for 2023-24 is projected at 6.5 per cent with Q1:2023-24 at 7.8 per cent; Q2 at 6.2 per cent; Q3 at 6.1 per cent; and Q4 at 5.9 per cent, with risks evenly balanced.

FY-24 GDP Growth Projections - Reserve Bank and Professional Forecasters			
(Per cent)			
Q1	Q2	Q3	Q4
7.8	6.2	6.1	5.9

(Source: RBI)

INDUSTRY STRUCTURE AND DEVELOPMENTS

Insights from the latest edition of TransUnion CIBIL-SIDBI MSME Pulse Report show that with lenders being able to supply timely credit to resilient MSMEs, the sector is on an accelerated growth trajectory. The report also indicates benchmark credit growth in the micro segment owing to an improvement in lender confidence. The measures on formalization of MSMEs and adoption of digital platforms by lenders has enabled them to access granular data on enterprises and improved their confidence for lending, especially to the micro segment of MSMEs, informs the report.

Data from the report shows that credit demand (measured in terms of credit inquiry volumes) is correlated to the improvement in business activity and grew at 1.29 times year-over-year (YoY) in the quarter ending September 2022, while credit supply remained stable with disbursement growing by 24% YoY. Micro, small, and medium enterprises grew at 54%, 23% and 8% in disbursements YoY, respectively.

Mapping India's MSME credit through the MSME Pulse lens

Demand (Commercial Credit Inquiry Volumes)		
FY 22-Q2	FY 23-Q2	YoY Growth (%)
Indexed to: 100	129.7	29.7%
Supply (MSME Disbursement Amounts - In ₹ Lakh Crore)		
FY 22-Q2	FY 23-Q2	YoY Growth (%)
1.74	2.16	24.1%
Growth (Balance-Sheet MSME Credit Exposure - In ₹ Lakh Crore)		
FY 22-Q2	FY 23-Q2	YoY Growth (%)
20.7	22.9	10.6%
Performance (Delinquency Rates)		
New Definition of Delinquency Rate*		
FY 22-Q2	FY 23-Q2	YoY Change (%)
4.4%	3.0%	-31.8%
NPA Rate#		
FY 22-Q2	FY 23-Q2	YoY Change (%)
13.9%	12.5%	-10.1%

* The MSME portfolio excludes ~ ₹ 2.4 lakh crores of default cases beyond 720 days past due (DPD) /loss /doubtful category. With this edition of MSME Pulse, a new definition for 90+ DPD is being introduced, which excludes legacy accounts with DPD beyond 720 days or reported as loss/doubtful.

Non-Performing Asset (NPA) Rate is 90+ DPD to infinity.

The overall delinquency rate on MSME portfolio was 3.0% for September 2022 (FY23-Q2), down from 4.4% during the same period last year (FY22-Q2). This reduction is due to a drop in delinquency rates across micro, small, and medium segments. These findings emphasize that improved credit flow to the MSME segment can help in stabilizing the sector and provide much needed financial support to fortify it further.

Delinquency rates have dropped YoY across private sector banks, public sector banks and NBFCs. Private sector banks showed the highest drop in delinquency – from 2.8% in the quarter ending September 2021 to 1.5% during the same period in the year 2022.

(Source: TransUnion CIBIL-SIDBI MSME Pulse Report)

OPPORTUNITIES

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

MSME lending continues to be concentrated in states that have higher industrialization. The top ten states based on current outstanding MSME lending balances are Maharashtra, Gujarat, Tamil Nadu, Uttar Pradesh, Delhi, Karnataka, Rajasthan, West Bengal, Telangana & Haryana. These top ten states constituted 72% of the MSME outstanding balance as of September 2022. Of these ten states, Gujarat and Haryana had the highest growth rate of 15% and 14%, respectively. On the other hand, Rajasthan and Gujarat had the lowest delinquency rate of 1.8% and 1.85% respectively.

The rapid pace of innovations driven by the government, regulator, and the lending ecosystem has significantly fortified the MSME sector to continue its high growth trajectory. These innovations have provided capabilities for triangulating the power of financial, income and trade information so that credit institutions can get a unified view of the business entity, enabling improved risk differentiation for underwriting MSME loans.

(Source: Transunion CIBIL, IBEF)

BUSINESS REVIEW

The financial year of 2022-23 has been an important year of accomplishments for Ashv. The year was defining not only in terms of scaling businesses but also in terms of deepening our roots in terms of depth of our distribution network. The company has aggregated a total disbursement number of Rs. 858 crores in FY 2023. The company has also entered into strategic partnerships with Shivalik SFB (BC Arrangement) & Kisetsu Saison (Co-Lending arrangement) during this FY.

BUSINESS SEGMENT

Ashv Finance Limited is engaged in funding the MSME segment with a key focus in lending to the micro and small businesses in semi urban areas. The company is primarily catering to the under-served micro & small growing businesses like the local dukandars, small shop-owners, grocery stores, milk shops, small traders, etc. The company offers differentiated credit after designing product offerings that are best suited to the target segments. The company's average ticket size ranges from Rs. 10-12 lakhs and the average tenor of loan offered is ~ 30 months. The company has a customer base of ~12500 active clients as on Mar'23 with a network of 36 locations spread across 20 States / UTs as on Mar'23

GROWTH IN AUM & DISTRIBUTION NETWORK

The company's AUM has grown from Rs. 728 crores as on Mar 22 to Rs. 1070 crores as on Mar 23, growth in excess of 47% y-o-y. The company has operations spread across 14 states with a physical distribution network of 36 locations as on Mar 23. Ashv has further penetrated its operations towards 182 sourcing centres.

STRONG PROMOTER GROUP & MARQUEE INSTITUTIONAL INVESTORS

Ashv Finance Limited is promoted by Aavishkaar Group, which is India's leading impact investment platform with an AUM in excess of USD 1.2 Bn and robust businesses across the Financial Value Chain. The Company has also raised equity from marquee institutional investors like Omidyar Network, DWM-International and Triodos Investments. Repeated infusions of equity by institutional investors indicate their confidence in the company.

UPGRADE IN CREDIT RATING

Ashv is presently rated **BBB+** (Triple B Plus) by Acuite Ratings & Research with a stable outlook, **BBB** (Triple B) by CARE with a stable outlook & India Ratings with a positive outlook. In the month of June 2022, India Ratings has upgraded the outlook of the company from Stable to Positive.

DIVERSIFIED DEBT SOURCE

The company has made significant accomplishments on its liability side, having raised funds to the tune of Rs. 925 crores in FY 2023. The company has onboarded 15 new lenders (9 Banks and 6 NBFCs) to its borrowing profile with the likes of HDFC Bank, IDFC First Bank, Indian Overseas Bank & Kotak Mahindra Bank, Aditya Birla Finance, Tata Capital, Sundaram Finance, Cholamandalam Investment and Finance Company, etc. having offered their first round of debt in FY 23. The company has raised Rs. 925 crores in FY 2023 vis-à-vis Rs. 617 crores in FY 2022. The Borrowing Profile of the company has

further strengthened in FY 2022-23 with diversified funding sources spread across 33 banks & financial institutions.

In FY 2023, 35% of the fresh borrowings were raised from new banks/ FIs. The company has managed to reduced marginal cost of borrowing by 32 bps during FY 2023 even in a rising rate scenario.

ADEQUATE PROVISION COVERAGE RATIO

The Company is adequately covered against loan losses, having maintained a Total Loan Loss Provision Coverage Ratio in excess of 70% as on Mar 2023.

ALM POSITION

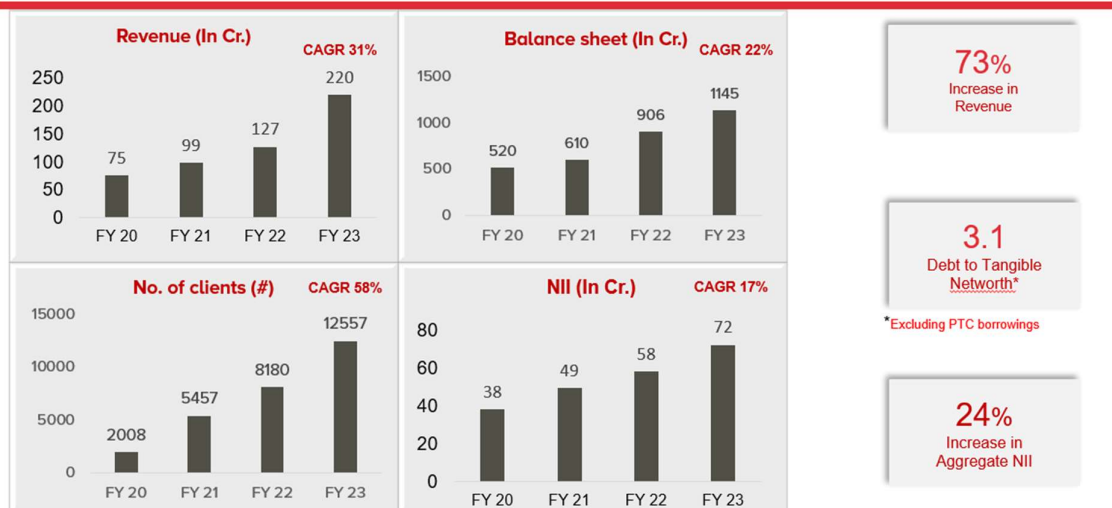
The company has a comfortable ALM position with positive mismatch across all buckets as on Mar 2023.

NNPA & GNPA

The company's Gross NPA and Net NPA as on Mar 23 is 5.32% and 2.58% respectively.

KEY METRICS

Key performance trends

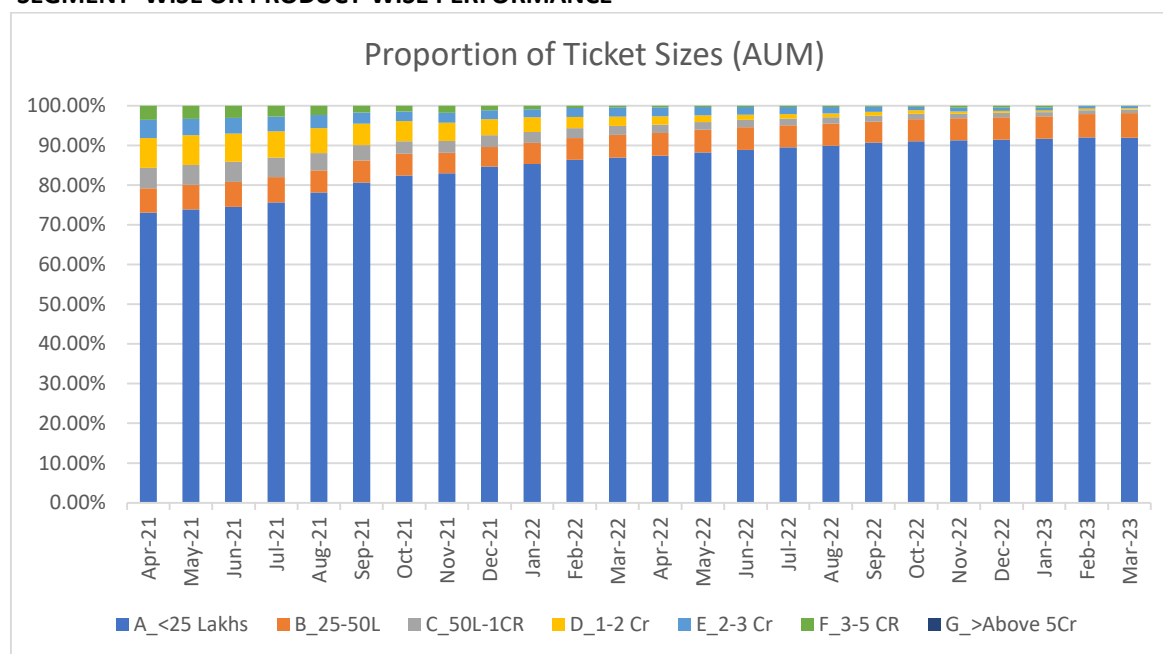


Key metrics | FY 23

Net worth	PAT	CRAR	PCR	NNPA
339	6.07 Cr	21 %	69 %	2.58%
AUM	Avg Ticket size	Branches (#)	Customers (#)	Sales force (#)
1070 Cr	11 Lacs	36	12557	216

KEY FINANCIAL HIGHLIGHTS

Particulars (All Rs in crores)	FY 2023 (Audited)	FY 2022 (Audited)
AUM	1070.30	727.89
Profit & Loss Extract:		
Total Revenue	220.85	128.52
Net Interest Income (NII)	72.03	57.80
Opex	73.09	54.56
PAT	6.07	5.47
Balance Sheet:		
Net worth	339.38	255.03
Total Debt	670.66	512.69
Cash & Cash Equivalent	143.91	115.63
Key Ratios:		
CRAR	20.75%	28.58%
Leverage (D/E)	2.18	2.41
Provision Coverage Ratio	69%	75%
Gross NPA	5.32%	4.55%
Net NPA	2.58%	2.04%

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE


Ticket Size	AUM Mar 23	AUM Mar 22	AUM Mar 21
A <25 Lakhs	983.88	632.68	371.25
B 25-50L	66.45	41.54	31.55
C 50L-1CR	9.53	16.65	26.49
D 1-2 Cr	2.92	17.07	40.11
E 2-3 Cr	6.77	16.55	25.43
F 3-5 CR	0.74	3.40	19.34
Total	1070.30	727.89	514.18

OUTLOOK

The Government of India has envisioned doubling the Indian economy to US\$ 5 trillion in five years. In order to achieve this goal, career opportunities for the young population have been generated and MSMEs have the potential to serve as a key employment generator. Therefore, the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP.

In order to achieve these targets, the government should invest in providing more back-end services to improve performance of the MSME sector as it supplies goods and services to big industrial enterprises. Lack of technology-based production activities and low investment in R&D activities are bottlenecks hindering the sector to become competent. Globally available technology could be subsidised by the government so that the product quality of MSME players can be improved using the existing resources. This also requires the help of academic institutions in the form of providing research and development (R&D) services for product innovation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system that is commensurate with the size, scale and complexity of its operations. The Co-Sourced Internal Auditor monitors the efficiency of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit and Compliance Committee of the Board.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year under review:

BALANCE SHEET AND LOANS

The Balance sheet size is Rs. 1145.09 Crs. as compared to Rs. 905.73 Crs. at the end of FY 22; CAGR of 26%. Asset under management (AUM) of the Company has increased from Rs. 727.89 Crs. to Rs.

1070.26 Crs.

REVENUE FROM OPERATIONS

The increase in revenue from operations was more than 72.18% as compared to FY 22 due to the Company's focus on granular book with higher ROIs and increasing AUM trend

EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses increased by 25% from Rs. 36.55 Crs. in FY 22 to Rs. 45.75 Crs. in FY 23, due to the addition of new roles to support the growth.

FINANCE COSTS

Finance costs stands at Rs. 99.70 Crs. in FY 23. The Company raised Rs. 925 Crs of funds of during the year FY 23 to fund its growth.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expenses increased by 65% from Rs. 2.72 Crs. in FY 22 to Rs. 4.49 Crs. in FY 23 as the company has built an in-house Digital Lending Platform (DLP) which form part of the intangible assets.

PROVISION FOR LOAN ASSETS AND ADDITIONAL PROVISION

Loans are provided for/written off, in accordance with Expected Credit Loss (ECL) Model. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default. The Company follows a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

i) Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date.

ii) Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment.

iii) Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

OTHER EXPENSES

The other expenses increased 49% from Rs. 15.29 Crs. in FY 22 to Rs. 22.85 Cr. in FY 23.

NET PROFIT

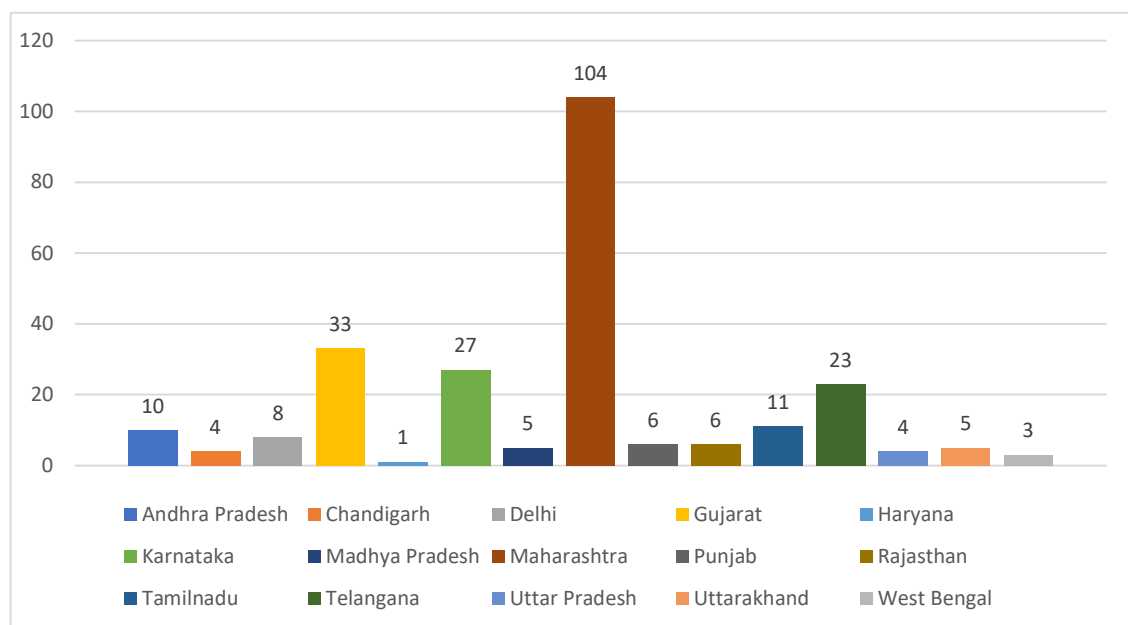
The Company made a net profit of Rs. 6.07 Crs, as compared to previous year profit of Rs. 5.47 Crs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

At Ashv, we believe that our employees constitute the heart of business. It is their invaluable contribution over the years that has resulted in crafting our success. Hence, it is the management's focus to continue to build on our people's strength, aid them to become effective and contribute to their overall well-being.

Our Corporate culture is dynamic with solid roots. It provides our people with a shared sense of identity. It helps them deliver a meaningful work and enhances their employee experience. Aligning hiring with business strategy is a top priority at Ashv. Our primary focus is on identifying company needs and recruiting the right people into the right role as part of our capacity building approach. To support Ashv's growth, our Company has recruited talent with strong ethics and deep domain knowledge. 250 employees joined us in FY 23 across various functions. Focused female hiring was encouraged in departments and we posted gender neutral job ads on social media platforms like LinkedIn. "Parichay" Employee refer program launched to encourage employees to refer the candidate and help the company to get the relevant candidates. 62% employees onboarded through our referral programs.

Our hiring trend across locations in FY-22-23 is represented in the chart below:



Engaging employees and their wellbeing has been our area of focus. Hence, it our constant endeavour to create a work place with vibrancy, recognition and enhancing our employee's skill set. Engagement activities like Independence Day Celebration, Diwali Celebration, Navratri Celebration, Secret Santa etc were conducted to celebrate the festive spirit. Various Fun activities like "Ashv Got Talent" was launched in FY 23 providing a platform to employees to showcase their talents (total 372 employees registered their names and 53 employees uploaded their videos). Several online webinars were organized for our employee's well-being in FY 23 on subjects like Building an Emotional Healthy Family, Breaking Stigma (Importance of Normalizing Emotional Wellness), World Health Day, International Yoga Day, Cervical Cancer Awareness, Thyroid Disorder and World Heart Day. Additionally, Health and Vision Camp (BP, BMI, Random Blood Sugar, Dr. Consultation by Jaslok Hospital and Vision Camp by Titan) was organized for corporate office employees.

At Ashv, we continuously strive to build an environment to develop our employee's skill set and foster

recognition culture. We regularly organize orientation programs for our new joiners (12 sessions conducted in FY 23) ensuring smooth assimilation in the organization. Regular instructor led business related trainings are organized to keep our employees updated regarding our Companies product, policies, and process. Regulatory trainings like POSH, KYC/AML trainings have been made mandatory for all our employees. In line with the management focus initiatives like “Ashv Gems” (program to recognize top performing employees across department on monthly basis) and “Applaud” (enhancing peer to peer recognition) was launched in FY 23.

At Ashv, we value our employee feedback. Employee Pulse Survey (V4U) was launched in FY 23 to know employees genuine and thoughtful feedback on the current practices at Ashv seeing 92% employee participation with positive feedback.

ELEVATING THE CUSTOMER EXPERIENCE: ASHV'S CUSTOMER-FACING TECHNOLOGY INITIATIVES

In today's hyper-connected world, customers are more informed, discerning and demanding than ever before. At Ashv, we have taken the first few steps to enhance their experience through our customer-facing technology initiatives.

To enhance their overall pre-disbursement experience, we went live with a Credit Straight-through Process (STP) in the largest-selling loan product (Banking Surrogate), enabled notifications to keep the applicant informed of the progress at every stage of the loan process, and an end-to-end non face-to-face digital fulfilment journey built on the pillars of V-CIP (Video KYC), eMandate, eStamp and eSign.

For all our existing customers, we launched the Ashv Mobile App, went live on WhatsApp, enabled real-time EMI payments from the Website, MobileApp as well as WhatsApp, and went live as a biller on Bharat Bill Payment System (BBPS) allowing customer EMI payments from any UPI App. In addition, we on-boarded Ashv as a Customer Operating Unit (COU) on BBPS, to help facilitate non-EMI bill payments by customers to more than 20,000+ billers using the Ashv website or/and the Mobile App. With a customer-first approach, we developed a Customer Service menu that offers a range of service options for placing personalized requests (including Complaints) via the Ashv Mobile App and WhatsApp. We implemented real-time payment options on the Ashv Mobile App, Ashv Website and WhatsApp (WhatsApp Collect) to follow through on our commitment to providing seamless and efficient services to our customers.

We are committed to delivering a superior customer experience that is (eventually) tailored to the unique needs of every customer and will continue to invest our collective energy into strengthening the breadth and quality of the service offerings to our customers.

INDEPENDENT AUDITOR’S REPORT

To the Members of ASHV FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Ashv Finance Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence 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 audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Computation of Expected Credit Loss on Loan Assets	
<p>Ind AS 109 requires the Company to provide for impairment of its loan assets (financial instruments) using the Excepted Credit Losses (ECL) approach. ECL involves an estimation of probability-weighted loss on financials instruments over their life, considering reasonable and supporting information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"> unbiased, probability weighted outcome under various scenarios; time value of money; impact arising from forward looking macro-economic factors and; availability of reasonable and supportable information without undue costs. <p>Applying these principle involves significant estimation in various aspects, such as:</p> <ol style="list-style-type: none"> grouping of borrowers based on homogeneity by using appropriate statistical techniques; staging of loans and estimation of behavior life; determining macro-economic factors impacting credit quality of receivables; estimation of losses for loan products with no/minimal historical defaults. <p>In view of the high degree of management's judgement involved in estimation of ECL, it is a key audit matter.</p>	<ul style="list-style-type: none"> We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the board of directors pursuant to Reserve Bank of India ("RBI") guidelines issued on March 13, 2020. Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. Assessed the criteria for staging of loans based on their past-due status. Tested samples of performing (Stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 as per Ind AS 109. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Key audit matter	How our audit addressed the key audit matter
2. Accounting of Scheme of Arrangement with TribeTech Private Limited	
<p>As mentioned in Note 56 of the financial statements, the Board of Directors of the Company (Transferee Company) in their meeting held on 22 July 2020, had approved the Scheme of Arrangement (the 'Scheme') with TribeTech Private Limited (Transferor Company) and their respective shareholders for the demerger of the demerged undertaking of Transferor Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder.</p> <p>The Company has received requisite approvals and the Scheme has been sanctioned by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 12 January 2023 with the Appointed date of 1 April 2022. The Scheme has been given effect to in the books of account from the appointed date in accordance with the Scheme instead of the acquisition date as per Ind AS 103 – Business Combinations (i.e. the date when actual control is obtained). The accounting treatment is as per Ind AS 103.</p> <p>Accounting for the acquisition has involved judgment in order to:</p> <ul style="list-style-type: none"> • determine whether the acquisition constitutes a business; • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill; <p>The Management engaged a third party (Management's fair valuation expert) to assist in the process to identify and determine the fair value of these assets and liabilities and to determine fair value of the consideration transferred.</p> <p>This is a material acquisition for the Company and given the level of estimation and judgement</p>	<ul style="list-style-type: none"> • We examined the terms and conditions of the scheme of arrangement in order to evaluate the Company's assessment of whether the acquisition comprises a business. • We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Company. • We assessed the Company's determination of fair values for consideration transferred and assets and liabilities acquired and the methods used to value the underlying assets by: <ul style="list-style-type: none"> • Reading the valuation report prepared by the appointed external valuation specialists. • Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

required, we considered it to be a key audit matter.	
Refer Note 56 of the financial statements.	

Key audit matter	How our audit addressed the key audit matter
3. Deferred tax assets	
<p>The Company has recognised deferred tax assets of Rs. 1,678.09 lakhs in respect of tax losses.</p> <p>The recovery of the deferred tax assets depends on achieving sufficient taxable profits in the future.</p> <p>Recognition of deferred tax assets is a key audit matter as the assessment of its recoverability within the allowed time frame involves significant estimate of the financial projections, availability of sufficient taxable income in the future and also involves significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.</p>	<ul style="list-style-type: none"> • Tested management's assumptions including forecasts and sensitivity analysis in respect of recoverability of deferred taxes on carry forward losses. • Evaluated the management's assessment regarding recoverability of deferred tax assets within the allowed time frame under tax regulations

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of 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, but does not include the financial statements and our auditor's report thereon.

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 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.

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 Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 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 financial statements.

As part of an audit in accordance with SAs, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) 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, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, together with the relevant Rules made thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 does not have any pending litigation which would impact its financial position as at March 31, 2023.

- 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 during the year ended March 31, 2023.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For BATLIBOI & PUROHIT

Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta

Partner
Membership No. 116976

Place : Mumbai
Date : May 29, 2023
ICAI UDIN :

Annexure - A to the Independent Auditors' Report

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Ashv Finance Limited** of even date)

- i In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, 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 Company does not have ownership of any immovable property.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
 - (e) According to the information and explanations given to us, no proceedings have been initiated, or were pending, during the year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii
 - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii The Company has granted secured / unsecured loans to other parties, during the year, in respect of which:

- (a) The Company's principal business is to give loans therefore reporting under Clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of the loans/advances in the nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a Non-Banking Financial Company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported since it is not practicable to furnish such details owing to the voluminous nature of the data generated in the normal course of Company's business. Further except for the instances where there are delays or defaults in repayment of principal and/or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Ind AS and the guidelines issued by the RBI for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 47 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
 - (d) In respect of loans/advances in nature of loans, the total amount overdue for more than 90 days as at March 31, 2023 is Rs 4,428.09 Lakhs In such instances, in our opinion, based on information and explanation provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 38 in the financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2023.
 - (e) The Company's principal business is to give Loans therefore 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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- Further, the Company has not made any investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.
- iv In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
 - v According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
 - vi The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

- vii In Respect of Statutory Dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, income tax and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- viii According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix (a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks or financial institutions. There were no outstanding loans from government during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- x (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- xi (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, in our opinion and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- xii In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on the audit procedures performed by us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued upto the date of this Report, for the period under audit.
- xv According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order is not applicable.
- xvi (a) According to the information and explanations given to us, the Company has registered, as required, under section 45-IA of the Reserve Bank of India Act, 1934.

- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial activities during the year without a valid certificate of registration (CoR) from the RBI. Further as represented by the Management, the Company has not engaged in Housing Finance Activities.
 - (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Companies (CICs).
- xvii In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- pxviii There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- xix 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 and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx
 - (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place: Mumbai
Date: May 29, 2023
ICAI UDIN :

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

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 **Ashv Finance Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the 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 ('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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls 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, 2023, 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 BATLIBOI & PUROHIT

Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta

Partner
Membership No. 116976

Place: Mumbai
Date: May 29, 2023
ICAI UDIN :

Ashv Finance Limited
Balance Sheet as at 31 March 2023
(All amounts in ₹ lakhs unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	5	8,335.22	4,472.55
(b) Bank balance other than cash and cash equivalents	6	6,290.54	7,344.48
(c) Loans	7	79,484.21	70,516.00
(d) Investment	8	274.35	102.27
(e) Other financial assets	9	3,203.07	2,974.96
Total financial assets		97,587.39	85,410.26
2 Non-financial assets			
(a) Current tax assets (net)		1,177.22	1,065.90
(b) Deferred tax assets (net)	10	1,614.50	1,199.42
(c) Property, plant and equipment	11A	199.86	209.59
(d) Right-of-use asset	11B	333.03	344.44
(e) Intangible assets under development	11C	113.61	-
(f) Goodwill	12A	12,366.08	2,009.10
(g) Other Intangible assets	12B	686.07	39.61
(h) Other non-financial assets	13	431.36	294.67
Total non-financial assets		16,921.73	5,162.73
Total assets		1,14,509.12	90,572.99
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Payables			
(i) total outstanding dues of micro enterprises and small enterprises	14	2.57	21.14
(ii) total outstanding dues other than micro enterprises and small enterprises	14	196.86	21.00
(b) Debt securities	15	24,029.66	19,417.00
(c) Borrowings (other than debt securities)	16	51,644.38	42,774.97
(d) Other financial liabilities	17	4,280.96	2,433.65
Total financial liabilities		80,154.43	64,667.76
2 Non-financial liabilities			
(a) Provisions	18	202.76	119.19
(b) Other non-financial liabilities	19	214.00	283.37
Total non-financial liabilities		416.76	402.56
3 Equity			
(a) Equity share capital	20A	4,115.01	3,361.53
(b) Instruments entirely equity in nature	20B	847.77	847.77
(c) Other equity	21	28,975.15	21,293.37
Total equity		33,937.93	25,502.67
Total liabilities and equity		1,14,509.12	90,572.99

Summary of significant accounting policies

3

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

Batliboi & Purohit

Chartered Accountants

Firm registration number: 101048W

Janak Mehta

Partner

Membership No: 116976



For and on behalf of the Board of Directors

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Vineet Chandra Rai

Chairman

DIN: 00606290

Kiran Agarwal Todi

Chief Financial Officer

Place: Mumbai

Date: 29 May 2023

Nikesh Kumar Sinha

Managing Director

DIN: 08268336

Monika Variava

Company Secretary

Place: Mumbai

Date: 29 May 2023

Ashv Finance Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ lakhs unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
1 Revenue from operations			
(i) Interest income	22	17,455.05	12,000.16
(ii) Net gain on fair value changes	23	194.79	29.25
(iii) Net gain on assignment of loans		3,285.41	380.92
(iv) Other operating revenue	24	1,103.71	389.34
Total revenue from operations		22,038.96	12,799.67
2 Other income	25	45.90	52.72
3 Total income (1+2)		22,084.86	12,852.39
4 Expenses			
(i) Finance costs	26	9,969.51	5,840.32
(ii) Fee and commission expense		124.86	72.66
(iii) Impairment on financial instruments	27	4,635.80	1,324.29
(iv) Employee benefits expense	28	4,575.04	3,655.36
(v) Depreciation and amortisation expense	30	449.26	272.49
(vi) Other expenses	29	2,160.08	1,455.97
Total expenses		21,914.55	12,621.09
5 Profit before tax (3-4)		170.31	231.30
6 Tax expense :			
(a) Current tax expense		-	21.74
(b) Deferred tax benefit		(415.10)	(330.24)
(c) Taxes of earlier years		(21.74)	(6.97)
		(436.84)	(315.47)
7 Profit for the year (5-6)		607.15	546.77
8 Other comprehensive income, net of tax			
(i) Items that will not be reclassified to profit or loss			
(Gain)/Loss on Remeasurement of defined benefit plans		(5.76)	8.31
Income tax relating to remeasurement gains on defined benefit plans		-	-
Other comprehensive income		(5.76)	8.31
9 Total comprehensive income for the year (7+8)		612.91	538.46
10 Earnings per equity share (Face value of Rs. 10 each)			
Basic (in ₹)		1.48	1.63
Diluted (in ₹)		1.22	1.30

Summary of significant accounting policies

3

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

This is the Statement of Profit and Loss referred to in our report of even date.

Batliboi & Purohit
Chartered Accountants
Firm registration number: 101048W

Janak Mehta
Janak Mehta
Partner
Membership No: 116976



For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finance Limited)

Vineet Chandra Rai
Vineet Chandra Rai
Chairman
DIN: 00606290

Kiran Agarwal Todi
Kiran Agarwal Todi
Chief Financial Officer
Place: Mumbai
Date: 29 May 2023

Nikesh Kumar Sinha
Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Monika Variava
Monika Variava
Company Secretary

Place: Mumbai
Date: 29 May 2023

Ashv Finance Limited
Statement of Cash Flows for the year ended 31 March 2023

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Profit before tax	170.31	231.30
Adjustments for:		
Depreciation and amortisation expenses	449.26	272.49
Impairment on financial assets including Loans written off	4,635.80	1,324.29
Share-based payments to employees	61.89	77.38
(Profit)/ Loss on sale of fixed assets	(0.16)	(0.04)
Interest expense on lease liability	40.60	24.45
Gain on derecognition of assigned receivables	(3,285.41)	(380.92)
Net gain on fair value changes	(194.79)	(29.25)
Finance cost	9,928.91	5,815.87
Interest Income	(17,123.66)	(11,592.36)
Effective interest rate adjustment for financial instruments	273.55	(148.75)
Interest income from fixed deposits	(314.49)	(386.88)
Interest income on income tax refund	(45.12)	(49.31)
Provisions from employee benefits	89.33	38.97
Operating profit before working capital changes	(5,313.98)	(4,802.76)
Adjustment for change in working capital:		
Increase/(Decrease) in trade payables	157.29	(48.98)
Increase/(Decrease) in other liabilities	1,732.81	693.70
(Increase)/ Decrease in loans and advances	(13,756.97)	(21,263.49)
(Increase)/ Decrease in other assets	740.16	(789.66)
Cash used in operating activities	(16,440.69)	(26,211.19)
Interest income received	16,548.68	10,919.37
Repayment of Finance costs	(9,621.09)	(5,432.50)
Income tax paid, net of refunds	(44.44)	(352.99)
Net cash used in operating activities	(A) (9,557.54)	(21,077.31)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(150.50)	(76.42)
Cost incurred on internally developed intangible assets	(481.80)	-
Proceeds from sale of property, plant and equipment	1.67	0.20
Purchase of investment measured at FVTPL	(73,461.25)	(32,944.00)
Proceeds from sale of investment measured at FVTPL	73,483.96	33,046.27
Movement in margin money deposits (net)	1,368.43	(4,455.42)
Net cash generated from / (used in) investing activities	(B) 760.51	(4,429.37)
Cash flows from financing activities		
Proceeds of borrowings availed through debt securities	11,500.00	17,000
Proceeds of borrowings availed through other than debt securities	51,722.95	39,903
Repayment of debt securities	(7,553.14)	(7,739.24)
Repayment of borrowings other than debt securities	(42,769.11)	(21,362.03)
Repayment of lease liabilities	(241.00)	(179.93)
Cash generated from financing activities	(C) 12,659.70	27,622.05
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	3,862.67	2,115.37
Cash and cash equivalents at the beginning of the year (refer note 5)	4,472.55	2,357.18
Cash and cash equivalents at the end of the year (refer note 5)	8,335.22	4,472.55
Note 1:		
Cash and cash equivalents as per note 5	8,335.22	4,472.55
	8,335.22	4,472.55

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

This is the Statement of Cash Flows referred to in our report of even date.

Batliboi & Purohit
 Chartered Accountants
 Firm registration number: 101048W

Janak Mehta
 Partner
 Membership No: 116976



For and on behalf of the Board of Directors
Ashv Finance Limited

Vineet Chandra Rai
 Chairman
 DIN: 00606290

Kiran Agarwal Todi
 Chief Financial Officer
 Place: Mumbai
 Date: 29 May 2023

Nikesh Kumar Sinha
 Managing Director
 DIN: 08268336

Monika Variava
 Company Secretary



Place: Mumbai
 Date: 29 May 2023

Ashv Finance Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in ₹ lakhs unless otherwise stated)

A. Equity share capital

	Equity share capital
Balance as at 31 March 2021	3,361.53
Changes in equity share capital during the year	-
Changes due to prior period errors	-
Balance as at 31 March 2022	3,361.53
Changes in equity share capital during the year (on account of Scheme of Arrangement)	753.48
Changes due to prior period errors	-
Balance as at 31 March 2023	4,115.01

B. Instruments entirely equity in nature
Compulsory Convertible Preference Shares ('CCPS')

	Preference Share Capital
Balance as at 31 March 2021	847.77
Changes in preference share capital during the year	-
Changes due to prior period errors	-
Balance as at 31 March 2022	847.77
Changes in preference share capital during the year	-
Changes due to prior period errors	-
Balance as at 31 March 2023	847.77

C. Other equity

	Reserves and surplus				Total
	Securities premium	Share options outstanding account	Statutory reserve	Deficit in the Statement of Profit and Loss	
Balance as at 31 March 2021	21,992.25	157.07	514.39	(1,986.18)	20,677.53
Profit for the year	-	-	-	546.77	546.77
Changes due to prior period errors	-	-	-	-	-
Remeasurement expense on defined benefit plans, net of tax	-	-	-	(8.31)	(8.31)
Share based compensation for the period	-	77.38	-	-	77.38
Transfer to Statutory Reserve	-	-	110.00	(110.00)	-
Balance as at 31 March 2022	21,992.25	234.45	624.39	(1,557.72)	21,293.37
Profit for the year	-	-	-	607.15	607.15
Changes due to prior period errors	-	-	-	-	-
Remeasurement gain on defined benefit plans, net of tax	-	-	-	5.76	5.76
Issue of Equity Shares pursuant to Scheme of Arrangement	6,989.60	-	-	-	6,989.60
Share based compensation for the period	-	61.89	-	-	61.89
Share based compensation for the options issued pursuant to Scheme of Arrangement	-	17.38	-	-	17.38
Transfer to Statutory Reserve	-	-	122.00	(122.00)	-
Balance as at 31 March 2023	28,981.85	313.72	746.39	(1,066.81)	28,975.15

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

This is the Statement of Changes in Equity referred to in our report of even date.

Batliboi & Purohit
Chartered Accountants
Firm registration number: 101048W

Janak Mehta
Partner
Membership No: 116976



Place: Mumbai
Date: 29 May 2023

For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer
Place: Mumbai
Date: 29 May 2023

Monika Varshava
Company Secretary

1 Background

Ashv Finance Limited ("the Company") is a company incorporated under the provisions of the Companies Act, 1956. Effective 7 January 1999, the Company is registered as a non-deposit taking, Non-Banking Financial Company ("NBFC") under the rules and regulations framed by the Reserve Bank of India ("the RBI"). The Company is engaged in the business of providing lending facilities to the small businesses primarily in MSME segment. The Company is part of a Systemically Important Non-Deposit taking NBFC group. The Company is classified as Middle layer NBFC as defined in annexure to scale based Regulation (SBR): A Revised Regulatory framework for NBFCs.

2 Basis of preparation

a) Statement of compliance

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2016, as amended and other relevant provisions of the Act and other applicable guidelines issued by the Reserve Bank of India ('RBI'). The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 29 May 2023.

The financial statements for the year ended 31 March 2023, have been prepared after taking effect of the de-merger of Tribe Tech Private Limited into the Company with effect from 1 April 2022 as per NCLT order dated 12 January 2023. Refer to 56 note for details of net assets received and consideration paid.

b) Historical cost convention

These financial statements have been prepared on going concern basis following accrual system of accounting and are in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

3 Summary of significant accounting policies

a) Basis of measurement

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies have been applied consistently for all the periods presented in the financial statements.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of property, plant and equipment, useful lives of right of use assets, share based payments, deferred tax, accrual for employee benefits and impairment of loans under the expected credit loss model. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

3 Summary of significant accounting policies (cont'd)

b) Use of estimates (cont'd)

Significant estimates

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss to estimate ECL:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

c) Income recognition

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

Dividend income

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when Company's right to receive payment is established.

In case of final dividend, right to receive payment is considered as established only upon approval of the dividend by the shareholders in Annual General Meeting of Investee.

Other services

Fees/other charges on loan assets, other than those considered an adjustment to EIR, are accounted for only when it is certain that the amounts will be collected from the customers.

d) Borrowing costs

Borrowing costs consists of interest and other cost that the Company incur in connection with the borrowing of funds. Such borrowing costs are charged to the Statement of Profit and Loss as per the effective interest rate method.

e) Earnings per share ('EPS')

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other associated finance cost) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. If the diluted EPS is higher than basic EPS, the basic EPS is considered as diluted EPS.

3 Significant accounting policies (cont'd)**f) Intangible assets****Recognition and initial measurement**

Intangible assets mainly comprise of computer software which is initially measured at acquisition cost thereof. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company. Software acquired in a business combination are recognized at fair value at the acquisition date.

Subsequent measurement (amortisation method, useful lives and residual value)

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates useful life of acquired intangible assets to be 3-5 years. Useful life of assets developed inhouse or are customised is considered as 5 years.

Cost of intangible assets developed inhouse

Cost which is directly attributable to the development of intangible assets is considered as cost of intangible assets developed inhouse. This includes employee benefit expense and borrowing cost on the funds used for development of intangible asset. Research phase expenses are not considered as cost of development, rather these are recorded as expense in statement of Profit and Loss. Cost of borrowing is considered from the date the general purpose funds were borrowed and utilised in the development till the date the asset is developed and capitalised in the books of accounts.

Intangible assets under development

Expenditure incurred which are eligible for capitalisation under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

g) Property, plant and equipment (PPE)**Recognition and initial measurement**

PPE other than land are initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation method, useful lives, residual value and impairment)

Depreciation is provided using the straight-line method at the rates estimated by the Management which coincides with the rates specified in Schedule II of the Act. The table below summarises useful lives of various category of PPE:

Asset Category	Estimated useful life (years)
Furniture and fixtures	10
Office equipments	5
Computer & peripherals	3
Servers and Networking Devices	6

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

PPE other than land are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3 Significant accounting policies (cont'd.)

Capital work-in-progress

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress'. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances'.

h) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

Where the Company is lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

Where the Company is lessee

The Company's leased assets consist of leases for building. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a) the contract involves the use of an identified asset
- b) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- c) the Company has the right to direct the use of the asset

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liability payments are classified as cash used in financing activities in the consolidated statement of cash flows.

3 Significant accounting policies (cont'd)

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- a) Amortised cost
- b) Financial assets at fair value through profit or loss (FVTPL)
- c) Financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Amortised cost

A financial asset is measured at amortised cost using Effective Interest Rate (EIR) if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) 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.

The Company's loans and advances, security deposits, staff loans, cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets comprise of equity instruments measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss.

De-recognition of financial assets

De-recognition 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.

3 Significant accounting policies (cont'd)

i) Financial instruments (cont'd)

De-recognition of financial assets other than due to substantial modification

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.

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.

j) Impairment of financial assets

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments and hedge accounting

The derivative financial instruments are accounted for at FVTPL. The Company does not apply hedge accounting.

Loans

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- i) Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- ii) Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- iii) Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation. Please refer note 38 for further explanation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support. Please refer note 38 for further explanation.

Exposure at Default (EAD) - EAD is based on the amount of outstanding exposure as on the assessment date on which ECL is computed including amount guaranteed by way of letter of credit. Please refer note 38 for further explanation.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

3 Significant accounting policies (cont'd)

j) Impairment of financial assets (cont'd)

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

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

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

m) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund and national pension scheme. The Company recognises contribution payable as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3 Significant accounting policies (cont'd)

m) Employee benefits (cont'd)

Defined benefit plan

The Company has an obligation towards gratuity which is considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary and other defined parameters. The plan is unfunded.

The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognised in the statement of financial position for defined benefit obligation is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

n) Share based payments - Employee Stock Option Scheme ('ESOP')

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options on the grant date. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

p) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value.

At the acquisition date, the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed are representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which it pertains is less than the carrying value

q) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

3 Significant accounting policies (cont'd)

q) Provisions, contingent liabilities and contingent assets (cont'd)

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, the related asset is disclosed.

r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. A On 31 March 2023, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2014, applicable from 01 April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statement

4. B Standards issued but not yet effective as on date

There are no new standard or amendments notified by the Ministry of Corporate Affairs ('MCA') to the existing standards which would have been applicable from 1 April 2023.

5 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	14.57	0.51
Balances with banks:		
- in current accounts	8,320.65	2,272.04
- Bank deposits with original maturity less than 3 months	-	2,200.00
	8,335.22	4,472.55

Note

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and

earn interest at the respective short-term deposit rates. As at 31 March 2023, fixed deposits of Nil are pledged against credit facilities (31 March 2022: Nil)

6 Bank balance other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Fixed deposits with banks with original maturity more than 3 months		
- Deposits - maturity more than 3 less than 12 months	1,148.33	1,838.22
- Deposits - maturity more than 12 months	5,142.21	5,506.26
	6,290.54	7,344.48

Note

Fixed deposits are made for periods above three months, and earn interest at the respective term deposit rates. As at 31 March 2023, fixed deposits of ₹ 2,944.29 lakhs are pledged against credit facilities (31 March 2022: ₹ 2,653.09 lakhs) and ₹ 2,326.01 lakhs are lien marked against overdraft facilities (31 March 2022: ₹ 1,527.81 lakhs)

7 Loans

	As at 31 March 2023	As at 31 March 2022
Term loans to customers, net of deferral	82,562.19	72,237.56
Loan to related party	-	727.94
Total	82,562.19	72,965.50
Less: Impairment on financial instruments	(3,077.98)	(2,449.50)
	79,484.21	70,516.00

*amounts includes interest accrued on loan to customer of ₹ 2,475.33 lakhs (31 March 2022: ₹ 1,900.35 lakhs)

Notes:

- a) The net carrying amount of loans is considered a reasonable approximation of their fair value.
b) Refer note 38 for ECL disclosures.
c) The reconciliation of loans is as below:

i. Secured by tangible assets:

- Hypothecation of movable and other assets

293.92 846.82

- Plant & Machinery

46.60 109.28

- Land and Building

1,536.48 1,139.45

ii. Secured by intangible assets

-

iii. Hypothecation of current assets

17,277.64 1,771.26

iv. Hypothecation of Book Debts

3,407.14 8,659.75

v. Pledge of shares

-

vi. Government Guarantees

728.32 1,051.29

vii. Unsecured

56,101.84 56,419.66

79,391.94 69,997.51

Add: Deferral of net income/expense on origination of loans

694.92 339.70

Add: Interest accrued on loans

2,475.33 1,900.35

Loans to customers, net of deferral

82,562.19 72,237.56

7 Loans (cont'd)

Loans in India

- Public sector

-

- Private sector

81,867.27 71,897.86

81,867.27 71,897.86

Add: Deferral of net income/expense on origination of loans

694.92 339.70

Loans to customers, net of deferral (A)

82,562.19 72,237.56

Loans outside India

-

Loans to customers, net of deferral (B)

-

Loans to customers, net of deferral (A+B)

82,562.19 72,237.56

- d) Secured exposures are secured wholly or partly by hypothecation of book debts, charge on movable/immovable assets.
e) All loans are held in India. For breakup of industry wise loans, refer Note. 38.

- f) There are no loans given to Promoters, Directors or key managerial personnel (KMPs). For loan given to related party:

	31 March 2023	31 March 2022
Type of borrower : Related party		
Amount of loan outstanding	-	727.94
percentage of total loans & advances	0.00%	1.00%

8 Investment

	As at 31 March 2023	As at 31 March 2022
Investment in Mutual Fund at Fair value through Profit or Loss:		
- Investments outside India	-	-
- Investments in India	274.35	102.27
	274.35	102.27

9 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Receivable from related parties	-	2,280.43
Collateral security given to lenders	-	225.53
Security deposits	149.01	121.46
Loans to employees	20.14	20.13
Receivable for services	280.59	3.89
Gain receivable on DA Transaction	2,728.63	263.60
Other receivables	24.70	59.92
	3,203.07	2,974.96

10 Deferred tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset arising on account of:		
Impairment loss allowances on loans	797.34	618.84
On carried forward losses	1,678.09	652.36
Disallowance u/s 43B and other provisions	97.59	153.19
On right-of-use asset	7.80	1.95
On property, plant and equipment	11.14	20.91
Total deferred tax assets	2,591.96	1,447.25
Deferred tax liability arising on account of:		
On gain on derecognition of assigned receivables	686.80	66.35
On adjustments for Effective interest rate accounting	290.66	181.48
Total deferred tax liabilities	977.46	247.83
Net deferred tax assets	1,614.50	1,199.42

The Company has recognised deferred tax assets on the carried forward tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Total unrecognised deferred tax assets as at 31 March 2023: 971.24 Lakh (March 2022: Nil)

11 A. Property, plant and equipment ('PPE')

	Server	Computers	Furniture and fixtures	Office equipment	Total PPE
Gross block					
Balance as at 31 March 2021	-	142.48	202.67	31.86	377.01
Additions	-	73.03	0.85	2.14	76.02
Disposals	-	(1.07)	-	-	(1.07)
Balance as at 31 March 2022	-	214.44	203.52	33.99	451.96
Additions	2.59	75.20	0.97	1.65	80.41
Acquired through Business combination	-	0.651	0.090	0.069	0.810
Disposals	-	(17.26)	(2.97)	-	(20.23)
Balance as at 31 March 2023	2.59	273.03	201.61	35.71	512.95
Accumulated depreciation					
Balance as at 31 March 2021	-	64.34	67.67	27.28	159.29
Depreciation charge of the period	-	44.57	34.81	4.05	83.43
Disposals	-	(0.35)	-	-	(0.35)
Balance as at 31 March 2022	-	108.56	102.48	31.33	242.37
Depreciation charge of the period	0.24	62.96	23.68	2.57	89.45
Disposals	-	(17.18)	(1.56)	-	(18.74)
Balance as at 31 March 2023	0.24	154.33	124.60	33.90	313.08
Net block					
As at 31 March 2022	-	105.88	101.04	2.67	209.59
As at 31 March 2023	2.35	118.69	77.00	1.80	199.86

Notes:**i. Contractual obligations**

There are no contractual commitments for the acquisition of property, plant and equipment.

ii. Capitalised borrowing cost

There is no borrowing costs capitalised during the year ended 31 March 2023 (31 March 2022: Nil).

iii. Revaluation of Property, Plant & Equipment and Intangible Assets.

There have been no revaluation during the year ended 31 March 2023 (31 March 2022: Nil).

11 B. Right-of-use asset

	Office premises	Total
Gross block		
Balance as at 31 March 2021	360.39	360.39
Additions	182.94	182.94
Disposal	-	-
Balance as at 31 March 2022	543.33	543.33
Additions	285.97	285.97
Disposal	(73.74)	(73.74)
Balance as at 31 March 2023	755.56	755.56
Accumulated depreciation		
Balance as at 31 March 2021	48.56	48.56
Amortization charge of the period	150.33	150.33
Balance as at 31 March 2022	198.89	198.89
Amortization charge of the period	223.64	223.64
Balance as at 31 March 2023	422.53	422.53
Net block		
As at 31 March 2022	344.44	344.44
As at 31 March 2023	333.03	333.03

11 C. Intangible assets under development

	As at 31 March 2023	As at 31 March 2022
Opening Balance (Gross)	-	-
Additions	113.61	-
Impairments	-	-
Disposal/other adjustments	-	-
	113.61	-

Intangible assets under development ageing schedule**As at 31 March 2023**

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	113.61	-	-	-	113.61
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022

Intangible assets under development	Amount in Intangible assets under development 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	-	-	-	-	-

12 A. Goodwill

	As at 31 March 2023	As at 31 March 2022
Opening Balance (Gross)	2,009.10	2,009.10
Additions	10,356.98	-
Impairments	-	-
Disposal/other adjustments	-	-
	12,366.08	2,009.10

12 B. Other intangible assets

	Computer Software	Total
Gross block		
Balance as at 31 March 2021	218.86	218.86
Additions	0.40	0.40
Disposals	-	-
Balance as at 31 March 2022	219.26	219.26
Additions	438.28	438.28
Acquired through Business combination	344.33	344.33
Disposals	0.01	0.01
Balance as at 31 March 2023	1,001.89	1,001.89
Amortisation		
Balance as at 31 March 2021	140.92	140.92
Charge for the period	38.73	38.73
Adjustments	-	-
Balance as at 31 March 2022	179.65	179.65
Charge for the period	136.17	136.17
Adjustments	-	-
Balance as at 31 March 2023	315.82	315.82
Net block		
As at 31 March 2022	39.61	39.61
As at 31 March 2023	686.07	686.07

13 Other non-financial assets

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	207.01	175.52
Balance with government authorities	224.35	116.50
Advances recoverable in cash or in kind or for value to be received	-	0.60
Other receivables	-	2.05
	431.36	294.67

14 Payables

	As at 31 March 2023	As at 31 March 2022
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises, undisputed	2.57	21.14
(ii) total outstanding dues other than micro enterprises and small enterprises		
Dues to related parties	-	-
Others, undisputed	196.86	21.00
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises, undisputed	-	-
(ii) total outstanding dues other than micro enterprises and small enterprises		
Dues to related parties	-	-
Others, undisputed	-	-
	199.43	42.14

a) All trade payables are outstanding for the period less than 1 year including MSME, from respective due dates.

b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	As at 31 March 2023	As at 31 March 2022
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	2.57	21.14
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

15 Debt securities

	As at 31 March 2023	As at 31 March 2022
Secured		
- Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs)	1,906.62	1,514.04
- Rated, Unlisted, Redeemable, NCDs	19,581.26	13,348.53
- Principal Protected Market-linked Debentures (PP MLDs)	2541.78	4,554.43
	24,029.66	19,417.00
- Debt Securities in India	17,407.53	14,405.28
- Debt Securities outside India	6,622.13	5,011.72
	24,029.66	19,417.00

* amounts include interest accrued but not due of ₹ 845.45 lakhs (31 Mar 2022: ₹179.65)

Terms of repayment and security given are as below:

Description of NCD	Date of Disbursement	Redemption Date	Coupon Rate	Total outstanding as on 31 March 2023	Total outstanding as on 31 March 2022
320 number of securities at face value of Rs. 10,00,000/- each amounting to Rs. 3,200 Lakh	25-Nov-20	25-Nov-23	12.40%	3,226.00	3,215.07
2000 number of securities at face value of Rs. 100000/- each amounting to Rs. 2,000 Lakh	01-Mar-21	01-Jun-22	13.75%	-	271.03
2,500 number of securities at face value of Rs. 1,00,000/- each amounting to Rs. 2,500 Lakh	23-Jun-21	14-Oct-22	13.79% to 14.15%	-	2,529.66
2,000 number of securities at face value of Rs. 1,00,000/- each amounting to Rs. 2,000 Lakh	29-Jun-21	30-Sep-24	14.41% to 14.76%	2,549.92	2,024.77
200 number of securities at face value of Rs. 100000/- each amounting to Rs. 2,000 Lakh	13-Aug-21	13-Sep-23	13.65%	482.12	1,439.26
3,000 number of securities at face value of Rs. 1,00,000/- each amounting to Rs. 3,000 Lakh	12-Nov-21	25-Oct-24	13.45%	1,530.93	2,546.51
1,700 number of securities at face value of Rs. 1,00,000/- each amounting to Rs. 1,700 Lakh	21-Dec-21	20-Dec-24	13.30%	1,129.92	1,689.86
18,500 number of securities at face value of Rs. 10,000/- each amounting to Rs. 1,850 Lakh	23-Dec-21	23-Dec-24	12.30%	1,844.41	1,837.39
18,500 number of securities at face value of Rs. 10000/- each amounting to Rs. 1,850 Lakh	23-Dec-21	23-Dec-24	12.30%	1,808.62	1,782.79
210 number of securities at face value of Rs. 10,00,000/- each amounting to Rs. 2,100 Lakh	30-Mar-22	07-Mar-25	12.75%	1,402.85	2,080.66
150 number of securities at face value of Rs. 10,00,000/- each amounting to Rs. 1,500 Lakh	27-May-22	27-Nov-28	12.25%	1,557.25	-
300 number of securities at face value of Rs. 10,00,000/- each amounting to Rs. 3,000 Lakh	30-Jun-22	30-Jun-25	12.90%	3,060.09	-
20,000 number of securities at face value of Rs. 10,000/- each amounting to Rs. 2,000 Lakh	05-Jul-22	13-Jul-23	13.00%	1,026.32	-
200 number of securities at face value of Rs. 10,00,000/- each amounting to Rs. 2,000 Lakh	30-Aug-22	30-Sep-24	13.15%	1,425.10	-
1,000 number of securities at face value of Rs. 1,00,000/- each amounting to Rs. 1,000 Lakh	26-Sep-22	31-Jul-25	13.25%	1,003.99	-
20,000 number of securities at face value of Rs. 10,000/- each amounting to Rs. 2,000 Lakh	29-Mar-23	29-Mar-26	12.50%	1,982.17	-
Total				24,029.66	19,417.00

* above figures are including EIR adjustments and accrued interest

All the NCDs are secured by way of Hypothecation of specified book debts/loan receivables

The monthly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

There has been no default in repayment of interest and principal.

No short term funds have been used for long term purposes.

Repayment schedule of debt securities

Up to 1 year	9,073.33	5,993.51
1 to 5 years	12,780.00	13,413.33
more than 5 years	1,500.00	-
	23,353.33	19,406.84

* above figures are excluding EIR adjustments and accrued interest

16 Borrowings (other than debt securities)

	As at 31 March 2023	As at 31 March 2022
Secured		
-Term loans from banks	16,695.41	8,178.02
-Term loans from financial institutions	27,423.75	24,449.15
-Securitization borrowings	7,525.23	10,147.79
	51,644.38	42,774.97
- Borrowings in India	50,171.22	32,627.18
- Borrowings outside India	1,473.16	-
	51,644.38	32,627.18

* amounts include interest accrued but not due of ₹ 237.26 lakhs (31 Mar 2022: ₹595.24)

Terms of repayment and security given are as below:

Loans from banks and financial institutions are secured by way of hypothecation of book debts created out of the loan amount. Rate of interest on these loans ranges from 8.75% to 14.40% per annum as on 31 March 2023 (As on 31 March 2022: 6.85% to 14.10% per annum).

The monthly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

There has been no default in repayment of interest and principal.

There are no borrowings which have been guaranteed by Directors or others during the year

No short term funds have been used for long term purposes.

Repayment schedule of term loans

Up to 1 year	33,773.98	27,840.65
1 to 5 years	17,923.81	14,562.40
	51,697.79	42,403.05

* above figures are excluding EIR adjustments and accrued interest

17 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Cash collateral from customers	234.33	193.79
Advance from customers	432.71	435.06
Lease liability	364.03	352.20
Dues to the assignees towards collections from assigned receivables	1,451.06	253.35
Employee payables	231.96	337.15
Payable to Related Parties	1.66	-
Other payables	1,565.21	862.10
	4,280.96	2,433.65

18 Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
- Gratuity	202.76	119.19
	202.76	119.19

19 Other non-financial liabilities

	As at 31 March 2023	As at 31 March 2022
Income received in advance	15.53	129.38
Statutory liabilities	198.47	153.99
	214.00	283.37

20 A. Equity Share capital

	As at 31 March 2023	As at 31 March 2022
Authorised		
(i) 7,34,00,000 (31 March 2022: 7,34,00,000) equity shares of ₹ 10 each	7,340.00	7,340.00
	7,340.00	7,340.00
Issued, subscribed and paid-up		
41,150,069 (31 March 2022: 3,36,15,301) equity shares of ₹ 10 each	4,115.01	3,361.53
	4,115.01	3,361.53

- a) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2023 and 31 March 2022 is set out below

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Reconciliation of share capital				
Balance at the beginning of the year	3,36,15,301	3,361.53	3,36,15,301	3,361.53
Add: Allotted during the year (refer note 56)	75,34,768	753.48	-	-
Balance at the end of the year	4,11,50,069	4,115.01	3,36,15,301	3,361.53

- b) **Rights and restriction attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, of the proceeds available for distribution to the holders of equity shares, the assets of the Company will be distributed first among the Investors in accordance with the terms of the Agreement, second to the Shareholders (which would include the Promoters and Other Shareholders) and lastly pro-rata amongst all the Shareholders (including Investors) on a fully diluted basis.

- c) **The details of shareholder holding more than 5 percent shares**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Percent of shareholding	No. of shares	Percent of shareholding
Equity shares				
Intellectual Capital Advisory Services Private Limited ("Intellectual")	1,18,61,955	28.83%	1,18,61,955	35.29%
Aavishkaar Venture Management Services Private Limited ("AVMS")	1,90,36,538	46.26%	1,33,20,638	39.63%
ON Mauritius	47,84,689	11.63%	47,84,689	14.23%

- d) The Company has not allotted any bonus shares in the five years immediately preceding 31 March 2023. The Company has not bought back equity shares during five years immediately preceding 31 March 2023. During the Financial year ended 31 March 2023, the Company has allotted 75,34,768 shares to the shareholders of Tribe Tech Private Limited, pursuant to the Scheme of Arrangement, for consideration other than cash. For details of the scheme refer to Note 56.

- e) For details of equity shares reserved for issuance under the ESOP plan of the Company, refer note 34.

- f) There are no changes in equity share capital due to prior period errors. There has been no restatement of balance at the beginning of the current reporting period.

- g) **Disclosures pertaining to Promoter shareholding:**

	31 March 2023	31 March 2022
Promoter name	i. AVMS	
	ii. Intellectual	
number of shares held	3,08,98,493	2,51,82,593
percentage of total shares	75.09%	74.91%
percentage change during the year	0.17%	-

20 B. Instrument entirely equity in nature - Preference share capital

	As at 31 March 2023	As at 31 March 2022
Authorised		
(ii) 60,00,000 (31 March 2022: 60,00,000) 0.001% Series C CCPS of ₹ 10 each	600.00	600.00
(iii) 56,00,000 (31 March 2022: 56,00,000) 0.001% Series D CCPS of ₹ 10 each	560.00	560.00
	1,160.00	1,160.00
Issued, subscribed and paid-up		
(ii) 58,49,966 (31 March 2022: 58,49,966) 0.001% Series C CCPS of ₹ 10 each	585.00	585.00
(iii) 26,27,724 (31 March 2022: 26,27,724) 0.001% Series D CCPS of ₹ 10 each	262.77	262.77
	847.77	847.77

- a) The reconciliation of the number of shares outstanding and the amount of CCPS as at 31 March 2023 and 31 March 2022 is set out below

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Reconciliation of CCPS				
0.001% CCPS - Series C of ₹ 10 each				
Balance at the beginning of the year	58,49,966	585.00	58,49,966	585.00
Add : Issued during the year	-	-	-	-
Balance at the end of the year	58,49,966	585.00	58,49,966	585.00
0.001% CCPS - Series D of ₹ 10 each				
Balance at the beginning of the year	26,27,724	262.77	26,27,724	262.77
Add : Issued during the year	-	-	-	-
Balance at the end of the year	26,27,724	262.77	26,27,724	262.77

b) Terms and rights attached to preference shares**Terms and rights attached to Series C CCPS of ₹10 each**

The Company had allotted 58,49,996 non-cumulative CCPS of face value ₹10 each fully paid-up at a premium of ₹77.18 per Series C CCPS on 6 May 2016. The Series C CCPS carry dividend of 0.001% per annum. In addition to the fixed dividend, each CCPS shall be entitled to participate along with the equity shares in any dividends declared by the Company on the equity shares, as if such CCPS has been converted into equity shares immediately prior to declaration of dividend by the Company and are entitled to voting rights on a fully diluted basis.

In accordance with the terms of the Shareholders Agreement, 1 (one) Series C CCPS shall be converted into 1(one) equity share of ₹10 each at the end of 8th year from the date of issuance or on occurrence of an initial public offer. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

Terms and rights attached to Series D CCPS of ₹10 each

The Company has allotted 26,27,724 0.001% Series D CCPS of ₹10 each on rights basis, on 9 April 2018, in the ratio of 1 (one) 0.001% Series D CCPS of ₹10 each for every 4 equity shares (on fully diluted basis) of ₹10 each at a premium of ₹77.18 per 0.001% Series D CCPS. In addition to the fixed dividend, each CCPS shall be entitled to participate along with the equity shares in any dividends declared by the Company on the equity shares, as if such CCPS has been converted into equity shares immediately prior to declaration of dividend by the Company and are entitled to voting rights on a fully diluted basis.

In accordance with the terms of the Shareholders Agreement, 1 (one) Series D CCPS shall be converted into 1(one) equity share of ₹10 each at the end of 8th year from the date of issuance or on occurrence of an initial public offer. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

c) The details of shareholder holding more than 5 percent shares

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Percent of shareholding	No. of shares	Percent of shareholding
0.001% Series C CCPS of ₹ 10 each				
On Mauritius	17,20,578	29.41%	17,20,578	29.41%
DWM	20,64,694	35.29%	20,64,694	35.29%
TSTMF	10,32,347	17.65%	10,32,347	17.65%
TCTFSF	10,32,347	17.65%	10,32,347	17.65%
0.001% Series D CCPS of ₹ 10 each				
AVMS	11,47,052	43.65%	11,47,052	43.65%
TCTFSF	3,70,168	14.09%	3,70,168	14.09%
TSTMF	3,70,168	14.09%	3,70,168	14.09%
DWM	7,40,336	28.17%	7,40,336	28.17%

21 Other equity

	As at 31 March 2023	As at 31 March 2022
Reserves & Surplus		
i. Securities premium	28,981.85	21,992.25
ii. Other Reserves		
- Share options outstanding account	313.72	234.45
- Statutory reserve u/s 45(IC) of the RBI Act, 1934	746.39	624.39
iii. Deficit in the Statement of Profit and Loss	(1,066.81)	(1,557.72)
	28,975.15	21,293.37

Nature and purpose of reserve**a) Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Share options outstanding account

The reserve is used to recognise the fair value of the options granted to the employees of the Company under its stock option plan.

22 Interest Income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on loans	17,123.66	11,592.36
Interest on fixed deposits	314.49	386.88
Interest on others	16.90	20.92
	17,455.05	12,000.16

23 Net gain on fair value changes

	Year ended 31 March 2023	Year ended 31 March 2022
Net Gain on financial instruments at fair value through profit or loss		
- Realised	181.69	26.98
- Unrealised	13.10	2.27
	194.79	29.25

24 Other operating revenue

	Year ended 31 March 2023	Year ended 31 March 2022
Bad debt recoveries	501.16	128.71
Sourcing Fee Income	35.32	-
Other charges	567.23	260.63
	1,103.71	389.34

25 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on income tax refund	45.12	49.31
Profit on sale of asset	0.16	0.04
Other miscellaneous income	0.62	3.37
	45.90	52.72

26 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on debt securities	2,998.65	1,567.83
Interest expense on borrowings	6,921.37	4,245.01
Interest expense on lease liabilities	40.60	24.45
Other borrowing costs	8.89	3.03
	9,969.51	5,840.32

27 Impairment on financial instruments

	Year ended 31 March 2023	Year ended 31 March 2022
Loans (Amortised cost)		
- Impairment	628.48	97.37
- Write off	4,007.32	1,226.92
	4,635.80	1,324.29

28 Employee benefits expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	3,997.08	3,169.09
Contributions to provident and other funds	242.26	188.18
Share based compensation	61.89	77.38
Gratuity expenses	66.30	46.52
Staff welfare expenses	207.51	174.19
	4,575.04	3,655.36

29 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	69.53	103.38
Electricity and water	24.26	16.06
Repairs and maintenance - others	7.32	6.15
Rates and taxes	279.62	231.33
Travelling and conveyance	243.94	120.54
Printing and stationery	12.22	8.06
Director sitting fees	14.20	15.60
Legal and professional fees	774.17	420.76
Remuneration to auditors	23.76	18.19
Communication expenses	39.03	28.32
Technology expense	312.78	209.91
Office expenses	112.82	112.72
Advertisement expenses	176.72	95.62
Foreign exchange loss	4.50	0.76
Miscellaneous	65.21	68.57
	2,160.08	1,455.97

29(a) Payment to auditors (excluding taxes)

	Year ended 31 March 2023	Year ended 31 March 2022
- Audit fees (including Limited Review)	21.93	16.69
- Tax audit fees	1.50	1.50
- Other matters	-	-
- Out of pocket expenses	0.33	-
	23.76	18.19

29(b) Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The Company is not required to spend any amount as per Section 135 of the Companies Act, 2013 in the years ended 31 March 2023 and 31 March 2022.

Ashv Finance Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(All amounts in ₹ lakhs unless otherwise stated)

30 Depreciation and amortisation expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	89.45	83.43
Amortisation on right of use asset	223.64	150.33
Amortisation on intangible assets	136.17	38.73
	449.26	272.49

31 Earnings per equity share (EPS)

	31 March 2023	31 March 2022
Net profit attributable to equity shareholders	607.15	546.77
Weighted average number of shares outstanding during the year for computing basic EPS (nos)	4,11,50,069	3,36,15,301
Add: Effect of potential shares for conversion of CCPS (nos)	84,77,690	84,77,690
Add: Effect of potential shares for conversion of ESOP (nos)	1,10,662	1,10,662
Weighted average number of shares used to compute diluted EPS (nos)	4,97,38,421	4,22,03,653
Earning per share :		
Basic	1.48	1.63
Diluted	1.22	1.30
Nominal value - per equity share	10.00	10.00

32 Related party disclosures**a) Description of relationship****Individuals/ Companies having significant influence**

Aavishkaar Venture Management Services Private Limited ("AVMS")

Arohan Financial Services Limited ("Arohan")

Intellectap Advisory Services Private Limited ("Intellectap")

Aavishkaar Foundation

Aavishkaar Investment Advisors (IFSC) Private Limited

Aavishkaar Advisors Private Limited

Indradhanush Capital Advisors Private Limited

N R Management Consultants India Private Limited

TribeTech Private Limited ("TribeTech")

Intellectual Capital Advisory Services Private Limited ("Intellectual")

Intellectap Inc.

Sankalp Consultancy Limited

Aavishkaar Venture Trustees Pvt Ltd ("AVTPL")

Impact Investors Council ("IIC")

Aavishkaar Capital Advisors LLP ("ACAL") - Upto 5th Sept 2021

Nature of relationship

Holding Company/Entity which has significant influence on the Company

Associate of AVMS

Subsidiary of AVMS

Subsidiary of AVMS

Subsidiary of AVMS

Subsidiary of AVMS

Subsidiary of Intellectap

Subsidiary of AVMS

Subsidiary of AVMS

Entity which has significant influence on the Company

Subsidiary of Intellectap

Subsidiary of Intellectap

Entity under common control

Entity under common control

Subsidiary of AVMS

Directors

Mr. Vineet Chandra Rai

Mr. Anurag Agarwal

Key Management Personnel

Mr. Nikesh Kumar Sinha, Managing Director

Ms. Kiran Agarwal Todi, Chief Financial Officer

Ms. Monika Variava, Company Secretary

32 Related party disclosures (cont'd)

b) The transactions with related parties during the year :

Nature of transaction	Transactions with	31 March 2023	31 March 2022
Reimbursement of expenses incurred on behalf of the Company	Intellectap	-	11.98
Reimbursement of expenses incurred for the Company	Intellectap	1.29	1.33
Purchase of Assets	Intellectap	0.13	-
Reimbursement of expenses incurred on behalf of the Company	Arohan	5.13	30.43
Reimbursement of expenses incurred for the Company	Arohan	-	0.39
Purchase of Assets	Arohan	-	0.01
Customer receipts collected by the Company	Arohan	3.54	-
Customer receipts collected on behalf of the Company	Arohan	5.38	1,846.87
Reimbursement of expenses incurred for the Company	TribeTech	-	0.27
First loss default guarantee invoked	TribeTech	-	2,151.87
Acquisition of assets pursuant to Demerger	TribeTech	341.46	-
Acquisition of Liabilities pursuant to Demerger	TribeTech	23,187.45	-
Loan given	TribeTech	-	305.00
Interest charged	TribeTech	-	92.89
Reimbursement of expenses incurred on behalf of the Company	AVMS	-	8.69
Reimbursement of expenses incurred for the Company	AVMS	31.28	0.22
Issuance of shares pursuant to Demerger	AVMS	6,624.73	-
Issuance of shares pursuant to Demerger	Mr. Anurag Agrawal	24.03	-
Sitting fees	Vineet Chandra Rai	2.10	2.30
Sitting fees	Anurag Agarwal	3.75	4.65
Remuneration	Nikesh Kumar Sinha	255.00	192.50
Remuneration	Kiran Agarwal Todi	116.00	91.09
Remuneration	Monika Variava	23.59	16.72

c) Balances with related parties :

Name of the party	Nature of balances	31 March 2023	31 March 2022
Intellectap	Other (payable)/receivable	-	(11.37)
Arohan	Other (payable)/receivable	(1.66)	(8.25)
TribeTech	Other receivable	-	2,274.82
TribeTech	Loans given	-	727.94

Note:

The managerial remuneration disclosed above does not include the provision for gratuity made on the basis of actuarial valuation is for the whole Company as a whole.

33 Employee benefits**A Defined contribution plan**

The Company makes contribution of statutory provident fund as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. The contribution amounts have been disclosed under Note 28, Employee benefits expense.

B Defined benefit plan

The Company provides for a gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service upto a limit of ₹ 20 lakhs. Vesting occurs on completion of 5 continuous years of service as per Payment of Gratuity Act, 1972. This plan is unfunded.

Description of risk exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

- a) **Salary increases** - Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) **Investment risk** - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c) **Discount rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) **Mortality and disability** - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

The following tables summarises the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet:

	31 March 2023	31 March 2022
1 The amounts recognised in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	202.76	119.19
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in the Balance Sheet	202.76	119.19
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	119.19	71.91
Service cost	59.04	42.39
Interest cost	7.27	4.13
Actuarial losses/(gains)		
- change in financial assumptions	(12.57)	(2.45)
- change in demographic assumptions	(4.87)	-
- experience variance (i.e. actual experiences vs assumptions)	11.68	10.76
Transfer in due to business combination	35.27	-
Benefits paid	(12.24)	(7.55)
Defined benefit obligation as at the end of the year	202.76	119.19

33 Employee benefits (Contd.)

Assumptions used in the actuarial valuation for gratuity and compensated absences are as under:

Discount rate	7.25%	6.10%
Salary escalation	5.00%	5.00%
Attrition rate	26.00%	18.00%
Retirement age (years)	60	60
Mortality	100% of IALM 2012-14	100% of IALM 2012-14

3 Net gratuity cost for the year ended 31 March 2023 and 31 March 2022 comprises of following components:

Current service cost	59.04	42.39
Net interest cost on the net defined benefit liability	7.27	4.13
Components of defined benefit costs recognized in Statement of Profit and Loss	66.30	46.52

4 Other comprehensive income

Remeasurements on defined benefit obligations	31 March 2023	31 March 2022
Change in financial assumptions	(12.57)	(2.45)
Change in demographic assumptions	(4.87)	-
Experience variance (i.e. actual experience vs assumptions)	11.68	10.76
Components of defined benefit costs recognized in other comprehensive income	(5.76)	8.31

5 Maturity profile of defined benefit obligation**Particulars**

Within the next 12 months (next annual reporting period)	42.89	8.88
After next 12 months	159.87	110.31

6 Quantitative sensitivity analysis for significant assumptions is as below

Assumption	Change in assumption	31 March 2023	31 March 2022
Discount rate	Increase by 100 basis points	195.44	112.63
	Decrease by 100 basis points	210.59	126.42
Salary escalation rate	Increase by 100 basis points	209.83	126.42
	Decrease by 100 basis points	195.96	112.50
Withdrawal rate	Increase by 100 basis points	201.98	117.89
	Decrease by 100 basis points	203.51	120.48

Notes:

- Sensitivity due to mortality is not material, hence the impact of change is not calculated.
- The actuarial valuation of plan assets and the present valuation of defined benefit obligation were computed at year end. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is computed after considering the seniority, the promotion and other relevant factors such as, demand and supply in employment market.

34 Share-based payment

Under Employee Stock Option Scheme (ESOP) of the Company, share options of the Company are granted to the employees. The share based compensation plan in existence are as below:

34 Share-based payment (cont'd)**a) Employee Stock Option Plan 2018**

The Company in its Extra-Ordinary General Meeting held on 30 October 2018 and Annual General Meeting of the Company held on 27 May 2022, has approved to create, grant, issue and allot at any time in one or more tranches to its employees, selected on the basis of criteria decided by the Board upon recommendation of the Nomination and Remuneration Committee of the Board under the Employee Stock Option Scheme - Intellegrow Employees Stock Option Plan - 2018 (ESOP-2018), such number of stock options convertible into Equity Shares of the Company, in one or more tranches, not exceeding 18,07,068 equity shares of face value of ₹ 10 each, at such price and on such terms and conditions as may be fixed or determined by the Board upon recommendation of Nomination and Remuneration Committee of the Board in accordance with the ESOP-2018, and all applicable provisions of the law and/or guidelines issued by the relevant authority. Under the Plan, these options vest over a period of three years and vested options can be exercised any time during employment. Upon vesting, the employee can acquire 1 (one) equity share for every stock option. The fair value at grant date is determined using the Black Scholes model. Consequent to the above, the Company has granted stock options to employees of the Company, details of which are disclosed in the table below:

Option activity during the year is summarised below:

	31 March 2023		31 March 2022	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning	9,97,666	77.85	6,12,666	71.99
Granted during the year under Scheme 1	4,82,115	87.18	4,00,000	87.18
Granted during the year under Scheme 1	2,01,136	115.90		
Lapsed during the year	10,000	87.18	15,000	87.18
Exercised during the year	-	-	-	-
Options outstanding at year end	16,70,917	85.07	9,97,666	77.85
Options exercisable at year end	13,81,998	85.07	3,92,329	77.85

The options outstanding as at 31 March 2023 were with the exercise price of ₹ 10 to ₹ 115.90 (31 March 2022 Rs. 10 to 87.18). The weighted average of the remaining contractual life is 1.76 year (31 March 2022: 1.27 years).

In the FY 2021-22, the Holding Company has allotted 1,725 options to the employees of the Company. The Company has recognised an expense amounting to ₹ 9.18 lakhs as employee compensation expenses in FY 2021-22.

The Company, in its board meeting dated 10 March 2021, has adopted the "Ashv Finance – Employee Stock Option Plan – 2021, ESOP Scheme 2" in accordance with the scheme of arrangement between TribeTech Private Limited and the Company ("Scheme") filed with the NCLT. Upon the sanction of the Scheme by the NCLT, the Company has granted 2,83,824 employee stock options to the eligible option grantees transferred from the TribeTech Private Limited to the Company. The details is given below:

Particulars	31 March 2023	
	No. of options	Weighted average exercise price
Number of options granted	2,83,824	2,83,824
Exercise price (₹)	115.9	115.9
Option exercised during the year	-	-
Option lapsed during the year	-	-
Options outstanding at year end	2,83,824	2,83,824
Options exercisable at year end	2,83,824	2,83,824

34 Share-based payment (cont'd)

The Employee Stock Option Plan 2018 has been granted over three years with different vesting dates. The following inputs were used to determine the fair value for options granted:

	31 March 2023	31 March 2022
Expected life (in years)	2.50 - 4.50	2.50 - 4.50
Volatility (%)	16.14% to 23.01%	16.81%
Risk free rate (%)	5.24% to 6.91%	5.24% to 5.94%
Exercise price (₹)	₹ 10 to 115.90	₹ 10 to 87.18
Dividend yield	0%	0%
Option fair value	9.09 - 79.98	16.85 - 79.98

35 Income tax expense

	Year ended 31 March 2023	Year ended 31 March 2022
a) Income tax expense recognised in Statement of profit and loss		
Current tax	-	21.74
Deferred tax	(415.10)	(330.24)
Taxes of earlier years	(21.74)	(6.97)
	(436.84)	(315.47)
b) Income tax recognised in other comprehensive income		
Taxes on re-measurement of defined benefit plans	-	-
c) Reconciliation of income tax expense and the accounting profit for the year		
Profit before tax	170.31	231.30
Enacted tax rates	25.17%	25.17%
Income tax expense calculated on corporate tax rate	42.87	58.22
Unrealised gains on mutual fund not taxable		
Expense disallowed under the provisions of Income tax Act, 1961	115.84	(34.14)
Impact on deferred tax on account of change in tax rates	-	-
Deferred tax assets recognised		
Impairment loss allowances on loans	(178.50)	(26.81)
On carried forward losses	(1,025.73)	(451.52)
Disallowance u/s 43B and other provisions	55.60	(90.04)
On right of use asset	(5.85)	(1.95)
On property, plant and equipment	9.77	(7.75)
On gain on derecognition of assigned receivables	620.45	66.35
On adjustments for effective interest rate accounting	109.18	181.48
Other adjustments	(158.73)	(2.34)
Income tax in respect of earlier years	(21.74)	(6.97)
At the effective income tax rate of 25.17% (31 March 2022: 25.17%)	(436.84)	(315.47)

36 Capital management

The capital management objectives of the Company are:

- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the risk weighted assets as prescribed by the Reserve Bank of India (RBI).

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes have been made to the objectives, policies and processes from the previous years.

	As at 31 March 2023	As at 31 March 2022
Gearing Ratio		
Debt securities	24,029.66	19,417.00
Borrowings (other than debt securities)	51,644.38	42,774.97
Total debt	75,674.04	62,191.97
Total equity	33,937.93	25,502.67
Net debt to equity ratio	2.23	2.44

37 Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows :-

Particulars	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Fair value
As at 31 March 2023					
Financial Assets					
Cash and cash equivalents	-	-	8,335.22	8,335.22	8,335.22
Bank balances other than above	-	-	6,290.54	6,290.54	6,290.54
Loans	-	-	79,484.21	79,484.21	79,484.21
Investments	274.35	-	-	274.35	274.35
Other financial assets	-	-	3,203.07	3,203.07	3,203.07
Total financial assets	274.35	-	97,313.04	97,587.39	97,587.39
Trade payables	-	-	199.43	199.43	199.43
Debt securities	2,541.78	-	21,487.88	24,029.66	24,029.66
Borrowings (other than debt securities)	-	-	51,644.38	51,644.38	51,644.38
Other financial liabilities	-	-	4,280.96	4,280.96	4,280.96
Total financial liabilities	2,542	-	77,612.65	80,154.43	80,154.43
As at 31 March 2022					
Financial Assets					
Cash and cash equivalents	-	-	4,472.55	4,472.55	4,472.55
Bank balances other than above	-	-	7,344.48	7,344.48	7,344.48
Loans	-	-	70,516.00	70,516.00	70,516.00
Investments	102.27	-	-	102.27	102.27
Other financial assets	-	-	2,974.96	2,974.96	2,974.96
Total financial assets	102.27	-	85,307.99	85,410.26	85,410.26
Trade payables	-	-	42.14	42.14	42.14
Debt securities	4,554.43	-	14,862.57	19,417.00	19,417.00
Borrowings (other than debt securities)	-	-	42,774.97	42,774.97	42,774.97
Other financial liabilities	-	-	2,433.65	2,433.65	2,433.65
Total financial liabilities	4,554	-	60,113.33	64,667.76	64,667.76

-Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

38 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, financial assets measured at amortised cost	Ageing analysis	Credit risk analysis, diversification of customers/asset base, credit limits, collateral and static pool analysis.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sufficient cash, CC/OD limits, committed credit lines and borrowing facilities
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Pass on the Interest rate increase/decrease to customers and borrowings at fixed rate.
Market Risk - Security Price	Investments in securities	Sensitivity analysis	Portfolio diversification, exposure limits/ limits on equity exposure

The Board has the overall responsibility of risk management. There are two committees of the Board which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO).

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The issues relating to the establishment of exposure limits for various categories, for example, based on geographical regions, product specific, industry and rating are also covered. The policy also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals.

The risk parameters are same for all financial assets for all period presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue. A default on a financial asset is when the counterparty fails to make contractual payments. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- i) Low credit risk on financial reporting date
- ii) Moderate credit risk
- iii) High credit risk

The company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

38 Financial risk management (Contd.)

A) Credit risk (Contd.)

a) Credit risk management (Contd.)

Financial assets that expose the entity to credit risk*

	As at 31 March 2023	As at 31 March 2022
Low credit risk on financial reporting date		
Cash and cash equivalents	8,335.22	4,472.55
Bank balances other than above	6,290.54	7,344.48
Loans#	74,322.08	65,415.21
Other financial assets	3,203.07	2,974.96
Moderate credit risk		
Loans#	1,299.57	1,699.39
High credit risk		
Loans#	3,770.29	2,882.91

* These represent gross carrying values of financial assets, without deduction for expected credit losses

The above amounts are excluding ECL on accrued interest.

The total amount overdue for more than 90 days as at 31 March 2023 is Rs. 4,428.22 lakhs (including interest accrued) for 613 cases. (31 March 2022 Rs. 3,251.10 Lakhs, 459 cases)

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Loans

The majority of the Company's borrowers are seasoned borrowers with satisfactory credit history. The Company closely monitors the credit-worthiness of the borrower's through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Expected credit losses for financial assets other than loans

- i) Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:
- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
 - For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
 - For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed further:

	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
31 March 2023				
Cash and cash equivalents	8,335.22	0%	-	8,335.22
Bank balances other than above	6,290.54	0%	-	6,290.54
Other financial assets	3,203.07	0%	-	3,203.07
31 March 2022				
Cash and cash equivalents	4,472.55	0%	-	4,472.55
Bank balances other than above	7,344.48	0%	-	7,344.48
Other financial assets	2,974.96	0%	-	2,974.96

38 Financial risk management (cont'd)

A) Credit risk (cont'd)

b) Expected credit losses for financial assets other than loans (cont'd)

ii) Expected credit loss for loans

Credit risk

Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations. It arises principally from the Company's loans and advances to customers, and investment in debt securities. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure, which are as follows:

Credit default risk: The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations. It may arise in the form of single geographic or sector concentration.

A1 Credit risk measurement

The Company classifies its risk based on geographies and the type of risk associated with the business of borrowers and accordingly classifies the loan assets as:

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

The Company considers qualitative factors that include past recoveries, historical default rates and macro-economic factors affecting a particular region.

A2 Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.

Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

A2.1 Significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when a set of portfolio experiences difficulties due to certain macro-economic factors.

A2.2 Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one of the following criteria:

Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficult. These are instances where:

- Inability to continue with his business on account of permanent incapacitation.
- Policy changes from the Government including instances such as demonetisation and introduction of new tax legislation such as Goods and Services Tax (GST).

38 Financial risk management (cont'd)**A) Credit risk (cont'd)****ii) Expected credit loss for loans (Cont'd)****A2.3 Measuring ECL - explanation of inputs, assumptions and estimation techniques**

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event (as defined in the previous step) occurring in future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a particular time horizon. It is done by performing vintage analysis over the historical data of default to assess how default rates change over time, and compute the risk of default in the next 12 months and the entire lifetime of the loan. PD for loan given to related party is considered Nil.

Loss given default (LGD) computation model

LGD is the credit loss that will be incurred if the borrower defaults. For loan portfolio where sufficient historical data is not available, the LGD has been considered based on Foundation Internal Rating Based (IRB) framework given in Circular on Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk.

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. The Company records overlays as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic.

A.3 Credit risk exposure

	ECL Staging		
	Stage 1	Stage 2	Stage 3
31 March 2023			
Low credit risk	74,322.08	-	-
Moderate credit risk	-	1,299.57	-
High credit risk	-	-	3,770.29
Gross carrying amount	74,322.08	1,299.57	3,770.29
Loss allowance	572.45	101.13	2,022.22
Carrying amount	73,749.63	1,198.44	1,748.07
31 March 2022			
Low credit risk	65,415.21	-	-
Moderate credit risk	-	1,699.39	-
High credit risk	-	-	2,882.91
Gross carrying amount	65,415.21	1,699.39	2,882.91
Loss allowance	464.18	175.58	1,587.35
Carrying amount	64,951.03	1,523.82	1,295.57

Note: The above amounts are excluding accrued interest and ECL thereon.

A.4 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

38 Financial risk management (cont'd)

A) Credit risk (cont'd)

ii) Expected credit loss for loans (Cont'd)

A.4 Loss allowance (cont'd)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans at amortised cost				
Balance as at 31 March 2021	1,035.51	353.82	840.32	2,229.65
New financial assets originated or purchased*	327.47	24.04	53.85	405.36
Transfer to Stage 1	7.19	(7.19)	-	-
Transfer to Stage 2	(13.93)	13.93	-	-
Transfer to Stage 3	(1,237.32)	(261.38)	1,498.70	-
Movement in credit risk on existing loan assets	1,303.18	353.58	29.40	1,686.16
Financial assets that have been derecognised	(950.01)	(282.62)	(408.00)	(1,640.63)
Write offs	(7.91)	(18.60)	(426.93)	(453.44)
Balance as at 31 March 2022	464.18	175.58	1,587.35	2,227.11
New financial assets originated or purchased*	37.88	20.56	159.29	217.73
Transfer to Stage 1	22.07	(19.21)	(2.86)	-
Transfer to Stage 2	(19.69)	20.37	(0.68)	-
Transfer to Stage 3	(44.41)	(106.12)	150.53	-
Movement in credit risk on existing loan assets	214.71	52.70	1,653.75	1,921.16
Financial assets that have been derecognised	(85.37)	(2.47)	(24.90)	(112.74)
Write offs	(16.92)	(40.28)	(1,500.27)	(1,557.47)
Balance as at 31 March 2023	572.45	101.13	2,022.22	2,695.79

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

Note: The above amounts are excluding ECL on accrued interest.

The following table further explains changes in the Loan portfolio (contractual principal balance, not adjusted for processing fee deferral) amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans at amortised cost				
Balance as at 31 March 2021	47,155.46	1,652.96	1,620.03	50,428.45
New financial assets originated or purchased*	54,958.36	422.04	131.54	55,511.94
Transfer to Stage 1	28.04	(28.04)	-	-
Transfer to Stage 2	(237.67)	237.67	-	-
Transfer to Stage 3	(2,255.60)	(468.26)	2,723.86	-
Financial assets that have been derecognised/ repaid	(34,078.15)	(0.26)	(833.35)	-34,911.76
Write offs	(155.24)	(116.72)	(759.16)	-1,031.13
Balance as at 31 March 2022	65,415.19	1,699.39	2,882.91	69,997.50
New financial assets originated or purchased*	78,981.42	613.34	489.07	80,083.83
Transfer to Stage 1	149.54	(143.33)	(6.20)	-
Transfer to Stage 2	(1,334.44)	1,335.62	(1.19)	0.00
Transfer to Stage 3	(2,911.63)	(1,101.27)	4,012.90	-
Financial assets that have been derecognised/ repaid	(65,524.09)	(907.33)	(993.55)	(67,424.97)
Write offs	(453.90)	(196.86)	(2,613.66)	(3,264.41)
Balance as at 31 March 2023	74,322.08	1,299.56	3,770.28	79,391.95

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

A.5 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates:

	As at 31 March 2023	As at 31 March 2022
Gross carrying amount of loans	79,391.94	69,997.51
Concentration by industry		
Loans to NBFCs/MFIs	728.90	2,365.16
Others	78,663.04	67,632.35
	79,391.94	69,997.51

Note: above amount are excluding accrued interest and ECL

38 Financial risk management (cont'd)**A) Credit risk (cont'd)****ii) Expected credit loss for loans (Cont'd)****A.6 Write off policy**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

The outstanding contractual amounts of such assets written off during the year ended 31 March 2023 was ₹ 4,007.32 Lakh (31 March 2022 ₹ 1,226.92 Lakh). The Company still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps. The amount of total borrowing sanctioned but not drawn is as on 31 March 2023 is Nil (31 March 2022: Nil)

Maturities of financial liabilities

The tables below analyse the financial liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows, not adjusted for processing fee deferral. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

31 March 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	9,073.33	12,780.00	-	1,500.00	23,353.33
Borrowings	33,773.98	17,819.48	104.34	-	51,697.79
Trade payables	199.43	-	-	-	199.43
Other financial liabilities at amortised cost	4,057.38	189.15	34.43	-	4,280.96
Total	47,104.12	30,788.62	138.77	1,500.00	79,531.51
31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	5,993.51	13,413.33	-	-	19,406.84
Borrowings	27,840.65	14,117.96	444.44	-	42,403.05
Trade payables	42.14	-	-	-	42.14
Other financial liabilities at amortised cost	2,269.36	112.99	25.81	25.50	2,433.65
Total	36,145.65	27,644.28	470.25	25.50	64,285.68

38 Financial risk management (cont'd)**C) Market Risk****a) Interest rate risk****i) Liabilities**

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. The Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	33,590.00	27,441.57
Fixed rate borrowing	42,084.04	34,750.40
Total borrowings (including debt securities & securitization)	75,674.04	62,191.97

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

	31 March 2023	31 March 2022
Interest rate sensitivity*		
Interest rates – increase by 100 basis points	335.90	274.42
Interest rates – decrease by 100 basis points	(335.90)	(274.42)

* Holding all other variables constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

39 Lease commitments

The Company has entered into non-cancellable/cancellable leasing arrangements in respect of its premises/branches for leases where term of agreement is of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments amounted to ₹ 69.53 lakhs as an operating expense in the current year (31 March 2022: ₹ 103.38 lakhs).

Future minimum lease payments with respect to non-cancellable operating leases which are not accounted as Right of Use assets are as follows (undiscounted basis):

	31 March 2023	31 March 2022
Within one year	32.92	34.05
Later than one year but not later than 5 years	25.91	8.52
Later than 5 years	-	-

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

	Office premises	Total
As at 31 March 2021	311.83	311.83
Additions	182.94	182.94
Depreciation expenses	150.33	150.33
As at 31 March 2022	344.44	344.44
Additions	285.97	285.97
Deletion	(73.74)	(73.74)
Depreciation expenses	223.64	223.64
As at 31 March 2023	333.03	333.03

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Buildings	Total
As at 31 March 2021	324.75	324.75
Additions	182.94	182.94
Accretion of interest	24.45	24.45
Payment	(179.93)	(179.93)
As at 31 March 2022	352.20	352.20
Additions	285.97	285.97
Deletion	(73.74)	(73.74)
Accretion of interest	40.60	40.60
Payment	(241.00)	(241.00)
As at 31 March 2023	364.03	364.03

Lease payments in future periods where right-of-use assets is recognised (undiscounted basis):

	As at 31 March 2023	As at 31 March 2022
Not later than one year	178.86	221.58
Later than one year and not later than five years	253.25	192.90
Later than five years	-	-
	432.11	414.48

Amount recognised in Statement of profit and loss account and statement of cashflow on right of use assets

	For the year ended	
	31 March 2023	31 March 2022
Amount recognised in Statement of profit and loss account		
Depreciation on right of use assets	223.64	150.33
Interest on lease liabilities	40.60	24.45
Expenses relating to short term leases and low value assets	69.53	103.38
Amount recognised in Statement of Cashflow		
Total cash outflow for leases	241.00	179.93

40 Segment information

The Company is engaged in lending which is considered to be the only reportable business segment as per Ind AS 108, Operating Segments. The Company operates primarily in India and there is no other geographical segment.

41 Contingent liabilities and commitment

There are no contingent liabilities and outstanding commitments as at reporting dates. The amount of loans sanctioned but not disbursed as on 31 March 2023 is ₹ 1,349.94 lakhs (31 March 2022: ₹ 1,427.85 lakhs).

42 Classification and provisions for loan portfolio owned

	31 March 2023	31 March 2022
Asset classification		
Loan outstanding		
Standard assets*	75,621.65	67,114.60
Substandard assets*	3,770.29	2,882.91
Doubtful assets	-	-
Less: Provision		
Standard assets*	673.57	639.76
Substandard assets*	2,022.22	1,587.35
Doubtful assets	-	-
Loan outstanding (net)		
Standard assets*	74,948.07	66,474.84
Substandard assets*	1,748.07	1,295.56
Doubtful assets	-	-

* above amounts are excluding accrued interest, ECL on accrued interest and loan to related parties

43 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, RBI/DNBR/2016-17/45, Master Direction DNBR. PD. 008/03.10.119/2016-17, dated September 01, 2016, (Updated as on December 29, 2022) issued by the RBI.

Liabilities side:	31 March 2023		31 March 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures				
Secured	24,029.66	-	19,417.00	-
Unsecured	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans (secured)	51,644.38	-	42,774.97	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Other loans from financial institutions (Secured)	-	-	-	-
	75,674.04	-	62,191.97	-
Assets side:			31 March 2023	31 March 2022
b. Break-up of loans and advances:				
(a) Secured#			23,290.10	13,577.85
(b) Unsecured#			56,101.84	56,419.66
			79,391.94	69,997.51
c. Break up of leased assets and stock on hire and other assets counting towards AFC activities				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease			-	-
(b) Operating lease			-	-
(ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire			-	-
(b) Repossessed Assets			-	-

above amounts are excluding accrued interest, ECL on accrued interest and loan to related parties

43 Additional disclosure pursuant to the Master Direction (Contd.)

Assets side:	31 March 2023	31 March 2022	
c. Break up of leased assets and stock on hire and other assets counting towards AFC activities			
(iii) Other loans counting towards AFC activities			
(a) Loans where assets have been repossessed	-	-	
(b) Loans other than (a) above	-	-	
d. Break-up of investments :			
Current investments			
1. Quoted			
(i) Shares :			
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and Bonds	-	-	
(iii) Units of mutual funds	274.35	102.27	
(iv) Government Securities	-	-	
(v) Others (please specify)	-	-	
2. Unquoted			
(i) Shares :			
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and Bonds	-	-	
(iii) Units of mutual funds	-	-	
(iv) Government Securities	-	-	
(v) Others (please specify)	-	-	
Long term investments			
1. Quoted			
(i) Shares :			
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and Bonds	-	-	
(iii) Units of mutual funds	-	-	
(iv) Government Securities	-	-	
(v) Others (please specify)	-	-	
2. Unquoted			
(i) Shares :			
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and Bonds	-	-	
(iii) Units of mutual funds	-	-	
(iv) Government Securities	-	-	
(v) Others (Investment in PTCs)	-	-	
e. Borrower group-wise classification of assets financed as in (b) and (c)			
Category	Amount (standard assets net of provisions)		
For 31 March 2023	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group*	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties*	23,290.10	56,101.84	79,391.94
	23,290.10	56,101.84	79,391.94

43 Additional disclosure pursuant to the Master Direction (Contd.)

e. Borrower group-wise classification of assets financed as in (b) and (c) (Contd.)

For 31 March 2022	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group*	-	727.94	727.94
(c) Other related parties	-	-	-
2 Other than related parties*	13,577.85	56,419.66	69,997.51
	13,577.85	57,147.60	70,725.45

* above amounts are excluding interest accrued.

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

Category	Market value / Breakup or fair value or NAV		Book value (net of provisions)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	274.35	102.27	274.35	102.27

g. Other information

Particulars	31 March 2023	31 March 2022
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	3,770.29	2,882.91
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,748.07	1,295.56
iii) Assets acquired in satisfaction of debt	-	-

h. (i.) Capital Risk Asset Ratio

Sl.No.	Items	As at 31 March 2023	As at 31 March 2022
(a)	Capital risk Asset Ratio (%)	20.75%	28.58%
(b)	Capital risk Asset Ratio (%) - Tier I Capital (%)	19.91%	27.71%
(c)	Capital risk Asset Ratio (%) - Tier II Capital (%)	0.84%	0.87%

(ii) Derivatives:

The Company has no transaction/exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on 31 March 2023 (31 March 2022: Nil)

(iii) Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous years.

(iv) Maturity pattern of certain items of assets and liabilities

Maturity pattern of certain Assets and Liabilities as on 31 March 2023

	Assets		Liabilities
	Advances	Investments	Borrowings
1 day to 7 days	2,558.34	-	1,174.99
7 days to 14 days	218.24	-	633.75
15 days to 30/31 days (one month)	90.01	-	1,819.62
Over one month to 2 months	2,783.96	-	3,467.10
Over 2 months upto 3 months	2,728.57	-	3,920.14
Over 3 months to 6 months	8,321.83	-	11,057.04
Over 6 months to 1 year	16,186.03	-	20,506.78
Over 1 year to 3 years	41,540.36	274.35	30,411.40
Over 3 years to 5 years	4,569.43	-	104.17
Over 5 years	395.17	-	1,496.34
Total	79,391.93	274.35	74,591.33

43 Additional disclosure pursuant to the Master Direction (Contd.)

(iv) Maturity pattern of certain items of assets and liabilities (Contd.)

Maturity pattern of certain Assets and Liabilities as on 31 March 2022

	Assets		Liabilities
	Advances	Investments	Borrowings
1 day to 7 days	1,980.91	102.27	348.67
7 days to 14 days	270.10	-	709.61
15 days to 30/31 days (one month)	290.79	-	1,355.93
Over one month to 2 months	2,569.86	-	2,959.17
Over 2 months upto 3 months	2,606.92	-	3,701.42
Over 3 months to 6 months	7,155.05	-	8,835.11
Over 6 months to 1 year	14,111.41	-	15,715.79
Over 1 year to 3 years	36,857.09	-	27,348.38
Over 3 years to 5 years	3,692.26	-	443.00
Over 5 years	463.12	-	-
Total	69,997.52	102.27	61,417.08

(v) Disclosures relating to securitization:

Particulars	As at 31 March 2023	As at 31 March 2022
	No./ Amount	No./ Amount
1. No. of SPVs sponsored by the NBFC for securitization transactions	11	10
2. Total amount of assigned assets as per books of the SPVs sponsored by the NBFC*	9,656.92	11,135.88
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet*	2,140.63	973.70
Off-balance sheet exposures		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
* First loss	-	-
* Others	2,140.63	973.70
4. Amount of exposures to securitization transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitization		
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitization		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitization		
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitization		
* First loss	-	-
* Others	-	-

43 Additional disclosure pursuant to the Master Direction (Contd.)**(vi) For Assignment transaction**

Particulars	As at 31 March 2023	As at 31 March 2022
	No./ Amount	No./ Amount
1. No. of SPVs sponsored by the NBFC for assignment transactions	N.A	N.A
2. Total amount of assigned assets	28,184.02	3,457.89
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet*	3,034.99	654.61
Off-balance sheet exposures		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
* First loss	-	-
* Others	3,034.99	654.61
4. Amount of exposures to assignment transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own assignment		
* First loss	-	-
* Others	-	-
ii) Exposure to third party assignment		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
i) Exposure to own assignment		
* First loss	-	-
* Others	-	-
ii) Exposure to third party assignment		
* First loss	-	-
* Others	-	-

(vii) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction:

The Company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction in the current and previous year.

(viii) Details of non-performing financial assets purchased / sold:

The Company has not purchased / sold non-performing financial assets in the current and previous year.

43 Additional disclosure pursuant to the Master Direction (Contd.)**(ix) Details of financing of parent company products:**

This disclosure is not applicable as the Company has not entered into any such type of transaction.

(x) Unsecured advances

Refer note 7 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc.

(xi) Registration obtained from other financial regulators

The Company has not obtained registration from other financial regulators.

(xii) Disclosure of penalties imposed by RBI and other regulators

There were no penalties imposed on the Company by RBI or any other regulator in the current or previous financial year.

(xiii) Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument	Amount as at 31 March 2023	Rating Company	Ratings as at 31 March 2023	Ratings as at 31 March 2022
	5,000.00	Acuite Ratings & Research	BBB+ (Triple B Plus) with a stable outlook	BBB+ (Triple B Plus) with a stable outlook
Long Term Bank Facilities	20,000.00	CARE Ratings	BBB (Triple B) with a stable outlook	BBB (Triple B) with a stable outlook
	5,000.00	India Ratings (Fitch)	BBB (Triple B) with a Positive Outlook	BBB (Triple B) with a Stable Outlook
	15,000.00	Acuite Ratings & Research	BBB+ (Triple B Plus) with a stable outlook	BBB+ (Triple B Plus) with a stable outlook
Non-Convertible Debentures	8,000.00	CARE Ratings	BBB (Triple B) with a stable outlook	BBB (Triple B) with a stable outlook
	4,500.00	India Ratings (Fitch)	PP-MLD BBB emr (Triple B) with a Stable Outlook	PP-MLD BBB emr (Triple B) with a Stable Outlook

(xiv) Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2023 (31 March 2022: Nil).

(xv) Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)

	31 March 2023	31 March 2022
Provision towards NPA	288.33	829.07
Provision for Standard Assets	340.15	(731.70)
Provision for current tax	-	21.74
Provision for gratuity	66.30	46.52

(xvi) Concentration of Deposits, Advances, Exposures and NPAs

	As at 31 March 2023	As at 31 March 2022
Concentration of Advances		
Total advances to twenty largest borrowers	2,295.53	4,032.54
Percentage of advances to twenty largest borrowers to total advances of the Company	2.89%	5.76%
Concentration of Exposures		
Total exposures to twenty largest borrowers/customers	2,295.53	4,032.54
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/ customers	2.89%	5.76%
Concentration of Exposures		
Total exposures to top four NPA accounts	607.62	683.62
* amount is excluding loan to related parties		

(xvii) Sector-wise NPAs

Percentage of gross NPAs to total advances in that sector			
Sector	As at 31 March 2023	As at 31 March 2022	
Agriculture & allied activities	0.00%	0.00%	0.00%
MSME	4.74%	4.12%	4.12%
Corporate borrowers	0.00%	0.00%	0.00%
Services	0.00%	0.00%	0.00%
Auto loans	0.00%	0.00%	0.00%
Other personal loans	0.00%	0.00%	0.00%

43 Additional disclosure pursuant to the Master Direction (Contd.)

(xviii) Customer complaints

	31 March 2023	31 March 2022
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	25	25
No. of complaints redressed during the year	26	24
No. of complaints pending at the end of the year	-	1

(xix) Details of investments

	31 March 2023	31 March 2022
1. Value of investments		
(i) Gross value of investments		
(a) In India	274.35	102.27
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(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	-	-

(xx) Movement of NPAs

Sl No	Particulars	31 March 2023	31 March 2022
i	Net NPAs to Net Advances (%)	2.20%	1.85%
ii	Movement of NPAs (Gross)		
i)	Opening balance	2,882.91	1,620.03
ii)	Additions during the year	4,501.97	2,855.40
iii)	Reductions during the year	(3,614.60)	(1,592.52)
iv)	Closing balance	3,770.28	2,882.91
iii	Movement of Net NPAs		
i)	Opening balance	1,295.56	779.70
ii)	Additions during the year	2,538.39	1,273.45
iii)	Reductions during the year	(2,085.90)	(757.59)
iv)	Closing balance	1,748.06	1,295.56
iv	Movement of provisions for NPAs (excluding provision on standard assets)		
i)	Opening balance	1,587.35	840.33
ii)	Provisions made during the year	1,963.57	1,581.95
iii)	Write-back of excess provisions	(1,528.70)	(834.93)
iv)	Closing balance	2,022.23	1,587.35

43 Additional disclosure pursuant to the Master Direction (Contd.)

(xxi) Disclosure of restructured accounts		Others				
Type of Restructuring		For Year ended 31 March 2023				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
Details						
Restructured Accounts as on 1 April (opening figures)	No. of borrowers	140.00	39.00	-	-	179
	Amount outstanding	2,154.66	1,163.22	-	-	3,317.88
	Provision thereon	106.06	741.28	-	-	847.34
Fresh restructuring during the year	No. of borrowers	1	-	-	-	1
	Amount outstanding	10.71	-	-	-	10.71
	Provision thereon	0.07	-	-	-	0.07
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Down gradations of restructured accounts during the FY	No. of borrowers	-	43.00	-	-	43.00
	Amount outstanding	-	674.12	-	-	674.12
	Provision thereon	-	359.29	-	-	359.29
Write-offs/Closure of restructured accounts during the FY	No. of borrowers	28.00	37.00	-	-	65.00
	Amount outstanding	325.50	1,128.96	-	-	1,454.46
	Provision thereon	4.89	643.47	-	-	648.37
Restructured Accounts as on 31 March (closing balance)	No. of borrowers	70	45	-	-	115
	Amount outstanding	620	701	-	-	1,321.56
	Provision thereon	15.49	374.32	-	-	389.80

43 Additional disclosure required by RBI (cont'd)

(xxi) Disclosure of restructured accounts (cont'd)		Others				
Type of Restructuring		For Year ended 31 March 2022				
Asset Classification						
Details		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April (opening figures)	No. of borrowers	155.00	19.00	-	-	174
	Amount outstanding	1,899.67	2,211.57	-	-	4,111.24
	Provision thereon	438.40	199.20	-	-	637.60
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Fresh restructuring during the year under COVID Circulars	No. of borrowers	79	11	-	-	90
	Amount outstanding	849.17	117.72	-	-	966.89
	Provision thereon	22.09	69.34	-	-	91.43
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Down gradations of restructured accounts during the FY	No. of borrowers	-	27.00	-	-	27.00
	Amount outstanding	-	1,020.07	-	-	1,020.07
	Provision thereon	-	581.73	-	-	581.73
Write-offs of restructured accounts during the FY	No. of borrowers	89.00	2.00	-	-	91.00
	Amount outstanding	1,434.45	358.72	-	-	1,793.17
	Provision thereon	212.89	201.16	-	-	414.05
Restructured Accounts as on 31 March (closing balance)	No. of borrowers	140	39	-	-	179
	Amount outstanding	2,154.66	1,163.22	-	-	3,317.88
	Provision thereon	106.06	741.28	-	-	847.34

44 Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. circular no. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016**Instances of fraud for the year ended 31 March 2023**

There were no instances of fraud reported for the year ended 31 March 2023.

Instances of fraud for the year ended 31 March 2022

There were no instances of fraud reported for the year ended 31 March 2022.

45 Expenditure in foreign currency

	31 March 2023	31 March 2022
Income in foreign currency		
Miscellaneous income (service fees)	-	-
Expenditure in foreign currency		
Software license fees	82.03	6.98
Travel and conveyance	5.82	0.54

46 Value of import in foreign currency on CIF basis

There are no import of capital goods during the current and previous year.

47 Other RBI disclosures

- a) Disclosures as per RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. 13 March 2020 for comparison between Income Recognition, Asset Classification and Provisioning (IRACP) norms and Ind AS 109

For 31 March 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	73,449.16	549.96	72,899.20	332.50	217.46
	Stage 2	1,998.85	140.88	1,857.96	25.73	115.16
Standard assets classified as substandard as per Restructuring guidelines	Stage 1	173.63	2.41	171.22	18.35	-15.94
	Stage 2	-	-	-	-	-
Subtotal		75,621.65	693.26	74,928.38	376.58	316.68
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,770.29	2,384.72	1,385.57	441.94	1,942.78
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	73,622.80	552.37	73,070.41	350.85	201.52
	Stage 2	1,998.85	140.88	1,857.96	25.73	115.16
	Stage 3	3,770.29	2,384.72	1,385.57	441.94	1,942.78

47 Other RBI disclosures (Contd.)

b) Disclosures as per RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. 13 March 2020 for comparison between Income Recognition, Asset Classification and Provisioning (IRACP) norms and Ind AS 109: (Contd.)

For 31 March 2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	65,027.00	460.90	64,566.10	372.80	88.10
	Stage 2	1,368.11	108.13	1,259.97	30.56	77.57
Standard assets classified as substandard as per Restructuring guidelines	Stage 1	388.20	3.28	384.92	38.82	(35.54)
	Stage 2	331.29	67.46	263.83	33.13	34.33
		67,114.60	639.77	66,474.83	475.31	164.46
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,882.91	1,587.36	1,295.56	288.29	1,299.07
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	65,415.20	464.18	64,951.02	411.62	52.56
	Stage 2	1,699.40	175.59	1,523.81	63.69	111.90
	Stage 3	2,882.91	1,587.36	1,295.56	288.29	1,299.07

c) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019 have been given below:

(i) Funding Concentration based on significant counterparty on borrowings

	As at 31 March 2023	As at 31 March 2022
Number of significant counterparties	34	21
Amount of borrowed funds from significant counterparties	73,076.05	59,543.45
Percentage of total deposits	Not applicable	Not applicable
Percentage of total liabilities	90.7%	91.5%

Notes:

i) A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDIS's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

ii) Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

47 Other RBI disclosures (Contd.)

c) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019: Contd.

(ii) Top 20 large deposits (amount in ₹ lakhs and % of total deposits) - Not applicable

(iii) Top 10 borrowings

	As at 31 March 2023	As at 31 March 2022
Amount of borrowed funds from top ten significant counterparties*	41,047.56	43,174.52
% of total borrowings [#]	54.7%	69.9%

Note:

*Accrued interest on borrowings have not been considered in above calculation.

[#]Total borrowing has been computed as gross total debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument / product

Name of the instrument/product	As at 31 March 2023		As at 31 March 2022	
	Amount*	% of total liabilities	Amount*	% of total liabilities
Debt securities	23,353.33	29.0%	19,406.84	29.8%
Borrowings (other than debt securities)	51,697.79	64.2%	42,403.05	65.2%

Note:

(i) A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

(ii) Total liabilities has been computed as total assets less equity share capital less reserve & surplus and computed basis extant regulatory ALM guidelines.

* Figures are based on gross borrowing outstanding and does not includes accrued interest and other Ind AS adjustments.

(V) Stock ratios in percentage

	As at 31 March 2023	As at 31 March 2022
1. Commercial papers as a % of total liabilities	Not Applicable	Not Applicable
2. Commercial papers as a % of total assets	Not Applicable	Not Applicable
3. Commercial papers as a % of public fund	Not Applicable	Not Applicable
4. Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	11.3%	9.2%
5. Non-convertible debentures (original maturity of less than one year) as a % of total assets	7.9%	6.6%
6. Non-convertible debentures (original maturity of less than one year) as a % of public fund*	12.1%	9.7%
7. Other short-term liabilities as a % of total liabilities	58.5%	55.5%
8. Other short-term liabilities as a % of total assets	41.1%	39.9%
9. Other short-term liabilities as a % of public fund*	62.76%	58.48%

*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

(vi) Institutional set-up for Liquidity Risk Management

Refer note 37.

48 Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31 DOR STR.REC.11/21.04.048/2021-22 dated 5 May 2021:

		(Rs. in lakhs)
Particulars	Type of borrower MSMEs	
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2022 (A)		1,424.59
Of (A), aggregate debt that slipped into NPA during the year		445.08
Of (A) amount written off during the year		91.57
Of (A) amount paid by the borrowers during the year*		446.96
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2023		440.98

*includes the amount on which first loss default guarantee has been invoked from the partner

49 In accordance with RBI circular no. DOR.STR.REC.51/21.04.048/2021-22 on Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24 September 2021, the details of loans transferred/acquired during the quarter ended 31 March 2023 are given below:**i. Details of transfer through assignment in respect of loans not in default:**

Entity	To other Transferee
Count of loans assigned	1,780.00
Amount of loans assigned (Rs. In lakhs)	17,740.54
Weighted average maturity (In month)	22.74
Weighted average holding period (In month)	8.05
Retention of beneficial economic interest (MRR)	0.10
Coverage of tangible security coverage	Nil
Rating-wise distribution of rated loans	Unrated

ii. The Company has not acquired any non-performing assets/loans not in default.

iii. The Company has not acquired any stressed loan.

50 Disclosures pursuant to RBI Notification RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022:**A) Exposure****1) Exposure to real estate sector**

		(Amount in Rs. Lacs)	
Category		31 March 2023	31 March 2022
i) Direct exposure			
a) Residential Mortgages –			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		Nil	Nil
b) Commercial Real Estate –			
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		Nil	Nil
Invest			
i. Residential		Nil	Nil
ii. Commercial Real Estate		Nil	Nil
ii) Indirect Exposure			
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		Nil	Nil
Total Exposure to Real Estate Sector			

2) Exposure to capital market

		(Amount in Lacs)	
Particulars		31 March 2023	31 March 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt		Nil	Nil
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds		Nil	Nil

iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
vii) Bridge loans to companies against expected equity flows / issues	Nil	Nil
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
ix) Financing to stockbrokers for margin trading	Nil	Nil
x) All exposures to Alternative Investment Funds:		
(i) Category I	Nil	Nil
(ii) Category II	Nil	Nil
(iii) Category III	Nil	Nil

Total exposure to capital market

3) Sectoral exposure

Sectors	31 March 2023			31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lacs)	Gross NPAs (₹ Lacs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Lacs)	Gross NPAs (₹ Lacs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	6.40	0	0.00%	53.80	24.43	45.41%
2. Industry						
i. Micro	20,105.67	838.35	4.17%	16,602.37	558.88	3.37%
ii. Small	12,707.34	508.66	4.00%	10,491.36	127.24	1.21%
iii. Medium	1,646.94	336.25	20.42%	1,871.71	350.90	18.75%
iv. Large	51.43	17.90	34.79%	97.68	-	0.00%
v. Others	0	0	0.00%	-	-	0.00%
Total of Industry (i+ii+iii+iv+v)	34,511.38	1,701.16	4.93%	29,063.11	1,037.02	3.57%
3. Services						
i. Transport Operators	1,125.05	36.73	3.26%	1,166.21	106.57	9.14%
ii. Computer Software	528.34	55.76	10.55%	1,032.98	71.39	6.91%
iii. Tourism, Hotel and Restaurant	223.60	65.57	29.32%	550.93	74.26	0.00%
iv. Shipping	6.97	-	0.00%	15.49	-	0.00%
v. Professional Services	530.67	31.46	5.93%	662.48	185.50	28.00%
vi. Trade	46,143.20	1,264.98	2.74%	21,746.78	782.99	3.60%
vii. Commercial Real Estate	-	-	0.00%	-	-	0.00%
viii. NBFCs	665.38	-	0.00%	2,267.68	-	0.00%
ix. Aviation	-	-	0.00%	18.34	-	0.00%
x. Other Services	22,091.85	759.03	3.44%	16,211.50	439.64	2.71%
Total of Services (i+ii+iii+iv+v+vi+vii+viii+ix+x)	71,315.06	2,213.53	3.10%	43,672.40	1,660.34	3.80%
4. Personal Loans	0	0	0.00%	0	0	0.00%
	1,05,832.84	3,914.69	3.70%	72,789.31	2,721.79	3.74%

4) Intra-group exposures

i. Total amount of intra-group exposures

Particulars	31 March 2023		31 March 2022	
	Total amount of intra-group exposures	Percentage of Total amount of intra-group exposures to total exposure	Total amount of intra-group exposures	Percentage of Total amount of intra-group exposures to total exposure
Tribe Tech Private Limited				
a) Loan given	-	-	727.94	1.04%
b) First Loss default guarantee invoked	-	-	2151.87	3.07%

ii. Total amount of top 20 intra-group exposures

Particulars	31 March 2023		31 March 2022	
	Total amount of top 20 intra-group exposures	Percentage of Total amount of top 20 intra-group exposures to total exposure	Total amount of top 20 intra-group exposures	Percentage of Total amount of top 20 intra-group exposures to total exposure
Tribe Tech Private Limited				
a) Loan given	-	-	727.94	1.04%
b) First Loss default guarantee invoked	-	-	2151.87	3.07%

5) Unhedged foreign currency exposure

There is no unhedged foreign currency exposure as on 31 March 2023 (31 March 2022: Nil)

B) Related Party Disclosure

As at 31 March 2023

Items	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	0.13	-	-	0.13
Sale of fixed/other assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Others	-	-	30,200.25	308.47	-	30,508.72
Total	-	-	30,200.38	308.47	-	30,508.85

As at 31 March 2022

Items	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-
Advances	-	-	305.00	-	-	305.00
Investments	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	0.01	-	-	0.01
Sale of fixed/other assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	92.89	-	-	92.89
Others	-	-	4,052.05	216.17	-	4,268.22
Total	-	-	4,449.94	216.17	-	4,666.11

C) Disclosure of complaints

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

Sr. No	Particulars	31 March 2023	31 March 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	1	-
2	Number of complaints received during the year	25	23
3	Number of complaints disposed during the year	26	22
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	1
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	10	1
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	10	1
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0

	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)		

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
FY 2022-23					
Incorrect CIBIL Reporting	1	8	21%	0	0
Collection Related Issues		8			
COVID Moratorium Applied		5			
NOC & TDS Refund		5			
Others		9			
Total	1	35	21%	0	0
FY 2021-22					
ROI Related Issues	0	6	0	1	0
Ground - 2		6			
Ground - 3		4			
Ground - 4		7			
Ground - 5		0			
Total	0	23	0	1	0

51 Disclosures pursuant to RBI Notification RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated 19 April 2022:

Loans to Directors, Senior Officers and relatives of Directors

Particulars	As at 31 March 2023	As at 31 March 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

52 Relationship with struck off companies

Name of Struck off Company	Relationship with Struck off Company	Nature of transaction	As At 31 March 2023	As At 31 March 2022
Maxin Hydro Dynamic India Private Limited	Customer	Loan Given	6.27	9.12
Nimbus Systems Private Limited	Customer	Loan Given	18.50	-

The above customers have been found regular in paying EMIs.

53 Undisclosed income

There are no transactions which are not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

54 Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

55 Other Notes

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- The Company has filed monthly statements of current assets with the banks in agreement with the books of accounts.
- The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.
- The Company has not made any Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - repayable on demand or
 - without specifying any terms or period of repayment

56 Business combination

The Board of Directors of the Company ("Company" or "Transferee Company") in their meeting held on 22 July 2020, had approved the Scheme of Arrangement (the 'Scheme') with TribeTech Private Limited ("TribeTech" or Transferor Company") and their respective shareholders for the demerger of the demerged undertaking of Transferor Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder.

The Company has received requisite approvals and the scheme has been sanctioned by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 12 January 2023 with the Appointed Date of 1 April 2022, and accordingly, the books of account and financial results effecting the Scheme have been prepared with effect from 1 April 2022. In accordance with the Scheme, the purchase consideration has been discharged by issue and allotment of 75,34,768 Equity Shares of the Company to the shareholders of the Transferor Company.

As per Ind AS 103, the Company has fair valued the assets and liabilities as on appointed date. The accounting impact of the aforesaid Scheme in the books of the Company has been presented as follows:

a) Quantitative details of shares acquired and purchase consideration

Purchase Consideration - Discharged through issuance of Equity Shares

7,771.36

b) Disclosure related to net assets acquired in business combination:

Particulars	1 April 2022
Assets	
Non-financial assets	
Property, plant and equipment	0.81

Intangible assets	344.33
Other current assets	92.07
Current tax assets	6.62
	443.83
Financial assets	
Other financial assets	19.58
	19.58
Total assets	463.41
Liabilities	
Provisions	
Gratuity Provision	35.27
	35.27
Financial liabilities	
Borrowings from Related party	727.93
Others financial liabilities - Related party	2,181.25
Others financial liabilities	43.43
	2,952.61
Other non-financial liabilities	43.78
	43.78
Total liabilities	3,031.66
Total identifiable net assets as on date of acquisition	-2,568.24
Goodwill arising on acquisition	10,339.60
Purchase Consideration transferred	7,771.36

Notes

1. No contingent liabilities as on the acquisition date
2. The goodwill comprises the value of expected synergies arising from the acquisitions and a workforce list, which is not separately recognised. It does not meet the criteria for recognition as an intangible asset under Ind AS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

c) Details pertaining to identifiable intangible assets as on the date of acquisition**Identifiable intangible assets**

- | | |
|--|--------|
| i. the fair value of the intangible | 344.33 |
| ii. the gross written down value of the intangible | 222.38 |

57 Events after balance sheet date

There are no significant events that have occurred after balance sheet date but before the date of signing of these financial statements.

Ashv Finance Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs unless otherwise stated)

58 Figures for the previous year have been regrouped where necessary to make them comparable.

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

Batliboi & Purohit

Chartered Accountants

Firm registration number: 101048W


Janak Mehta

Partner

Membership No: 116976



Place: Mumbai

Date: 29 May 2023

For and on behalf of the Board of Directors

Ashv Finance Limited


Vineet Chandra Rai

Chairman

DIN: 00606290


Kiran Agarwal Todi

Chief Financial Officer

Place: Mumbai

Date: 29 May 2023


Nikesh Kumar Sinha

Managing Director

DIN: 08268336


Monika Variava

Company Secretary

