

## Independent Auditors' Report on audit of financial statements

To,  
The members of  
Ashv Finance Limited

### Opinion

We have audited the financial statements of Ashv Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of material 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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard 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, 2025 and its profit and other 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Emphasis of Matters

We draw attention to Note no 61 in respect of Assignment agreement entered during the year for transfer of off book exposure portfolio and the said transfer will be recorded in the financial statement in the year in which company fully complied with terms of transfer.

Our opinion is not modified in respect of this matter.

### 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.

| Sr. No. | Key Audit Matter  | How our audit addressed the key audit matter  |
|---------|---|---|
| 1       | <p><b>Computation of Expected Credit Loss on Loan Assets:</b></p> <p>Ind AS 109 requires the Company to provide for impairment of its loan assets (financial instruments) using the Expected Credit Losses (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and</p> | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>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</li> </ul> |



| Sr.<br>No. | Key Audit Matter  | How our audit addressed the key audit matter   |
|------------|---|--|
|            | <p>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"> <li>unbiased, probability weighted outcome under various scenarios;</li> <li>time value of money;</li> <li>impact arising from forward looking macro-economic factors and;</li> <li>availability of reasonable and supportable information without undue costs.</li> </ol> <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ol style="list-style-type: none"> <li>grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>staging of loans and estimation of behavioral life;</li> <li>determining macro-economic factors impacting credit quality of receivables;</li> <li>estimation of losses for loan products with no/minimal historical defaults.</li> </ol> <p>In view of the high degree of management's judgement involved in estimation of ECL, it is a key audit matter.</p> | <p>of India ("R81*") guidelines issued on March 13, 2020.</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>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.</li> </ul> |

**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 Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Directors report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditors Responsibilities Relating to Other Information".



### Management and Board of Directors' Responsibilities for the Financial Statements

These financial statements are the responsibility of the Company's management and Board of Directors, has been approved by them for issuance. This responsibility includes the preparation and presentation of these financial statements that give a true and fair view of the profit and other financial information in accordance with the Indian accounting standards prescribed under Section 133 of the Act, the circulars, guideline and directions issued by Reserve Bank of India from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error..

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

The management and Board of Directors are also 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors'.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial



statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

#### **Other Matter**

The audit of financial statements for the year ended March 31, 2024 was conducted by the previous Statutory Auditors, and they have issued an unmodified opinion vide their report dated 30<sup>th</sup> May, 2024.

Our opinion on the financial statement is not modified in respect of this matter

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The 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 Indian accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 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, 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 litigations which will have impact on its financial position in its financial statements (Refer note no. 43 to Financial Statement).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other 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 (Refer note 59 to Financial Statements of the company);  
  
(b) The management has represented, that, to the best of its knowledge and belief, no funds 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, please refer note 59 of Financial Statement; and  
  
(c) In our opinion and based on the audit procedures, we have 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 (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks and in accordance with requirements of implementation Guide on Reporting on Audit Trail under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, the Company has used accounting software for maintaining its books of account which has a feature of recording Audit Trail (edit log facility) and the same has operated throughout the year for all relevant transactions recorded in the software.

Further audit trail has been preserved by the company as per the statutory requirements for record retention and during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For V Sankar Aiyar & Co.

Chartered Accountants

ICAI Firm Reg. No. 109208W



Asha Patel

Partner

Membership No. 166048

Place: Mumbai

Date: April 29, 2025

UDIN: 25166048BMKNNL5663



**Annexure A referred to paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of Ashv Finance Limited on the financial statements for the year ended March 31, 2025.**

**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, 2025, 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2025, 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 V Sankar Aiyar & Co.**

**Chartered Accountants**

ICAI Firm Reg. No. 109208W



**Asha Patel**

Partner

Membership No. 166048

Place: Mumbai

Date: April 29, 2025

UDIN: 25166048BMKNNL5663



**Annexure B referred to paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of Ashv Finance Limited on the financial statement for the year ended March 31, 2025.**

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

- 3(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use of assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of Property, Plant and Equipment to cover physical verification all the items once in a year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to such programme, the physical verification of Property, Plant and Equipment was carried out by the management during the current year and on the basis of explanation received no material discrepancies were noticed during the verification.
- (c) The Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly reporting under para 3(i)(c) of the Order is not applicable.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly reporting under para 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 3(ii)(a) The Company does not have any Inventory and accordingly, the reporting under para 3(ii)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees at any point of time of the year in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under para 3(ii)(b) of the Order is not applicable.
- 3(iii) (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 explanations given to us, the investments made, guarantees provided, securities given and the terms and conditions of the grant of loans and advances in the nature of loans are not prejudicial to the Company's interest.
- (c) In respect of the loans and 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 delay (that has been suggested in the Guidance Note on CARO 2020 issued by ICAI for reporting under this clause) have not been reported since it is not practicable to furnish such details owing to voluminous nature of the data granted in the normal course of 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 of RBI for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 49(a) of 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 the nature of Loans, the total amount overdue for more than 90 days as at March 31, 2025 is Rs. 687.98 lakhs with respect to 812 loan accounts. In such instances, in our opinion, and based on the information and explanations given to us, reasonable steps have been taken by the Company for the recovery of principal amounts and the interest thereon. Refer Note 40A(a) in the Financial Statements for details of number of cases and total amount of principal and interest overdue as on March 31, 2025.
- (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. Therefore, reporting under clause 3(iii)(f) of the Order is not applicable.
- 3(iv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has complied with the provisions of Section 185 and sub-section (a) of section 186 of the Act for loans and investments made or guarantees and security provided by it. The provisions of sub-section(s) to (11) of Section 186 of the Act is not applicable to the Company as it is a Non-Banking Financial Company registered with RBI engaged in the business of giving loans.
- 3(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits, within the meaning of section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder, to the extent applicable. Accordingly, reporting under para 3(v) of the Order is not applicable.
- 3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Act for the company. Accordingly, reporting under para 3(vi) of the Order is not applicable.
- 3(vii)(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, service tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities.
- There were no undisputed amounts payable in respect of these statutory dues in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no dues of Income tax, sales-tax, wealth tax, goods and services tax, customs duty, excise duty and CESS which have not been deposited on account of any dispute.
- 3(viii) There are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in the tax assessments of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Accordingly, reporting under para 3(viii) of the order is not applicable.
- 3(ix)(a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) The company has not been declared as wilful defaulter by any bank or financial institution or other lender during the year.
- (c) The Company does not have any term loan obtained during the year, hence, reporting under para 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short term basis have been prima facie used for long term purposes during the year by the Company.
- (e) The Company does not have any subsidiaries or joint ventures, according reporting under para 3(ix)(e) and (f) of the Order is not applicable.



- 3(x)(a) According to the information and explanation given to us and based on the audit procedures performed by us, the Company has not raised any money by way of initial public offer or further public offer (including debt securities) during the year. Accordingly, reporting under para 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has made allotment of 58,49,966 equity shares on preferential basis for consideration other than cash amounting to Rs. 584.99 lakhs on account of conversion of Compulsory Convertible Preference Shares in accordance with the terms of Instrument. According to the information and explanations given to us and based on the records made available to us, the requirements of the section 42 and 62 of the Companies Act, 2013 have been complied. During the year company has not made any preferential allotment or private placement of convertible debentures (fully or partially or optionally convertible).
- 3(xi)(a) According to the information and explanation given to us and based on the audit procedures performed by us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, there were no whistle blower complaints received by the Company during the year.
- 3(xii) The Company is not a Nidhi Company, accordingly, the reporting under para 3(xii) of the Order is not applicable to the Company.
- 3(xiii) The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable accounting standards.
- 3(xiv)(a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The Internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.
- 3 (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them, accordingly, the reporting under para 3(xv) of the Order is not applicable.
- 3(xvi)(a) The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company.
- (b) The company has carried on the business of Non- Banking Financial activities with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the reporting under para 3(xvi)(b) of the Order is not applicable.
- (c) The company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under para 3(xvi)(c) of the Order is not applicable.
- (d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the reporting under para 3(xvi)(d) of the Order is not applicable.
- 3(xvii) The Company has incurred cash losses of Rs. 4845.61 Lakhs during the current financial year and has incurred cash losses of Rs. 10,195.88 Lakhs during the immediately preceding financial year.
- 3(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on paragraph 3(xviii) of the Order is not applicable.



3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities 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.

3(xx) According to the information and explanation given to us and based on the Audit procedures performed by us, the Company was not required to spend any amount in terms of section 135 of the Act during the current financial year. Accordingly requirement to report on paragraph paragraph 3(xx)(a) & (b) of the Order is not applicable.

For V Sankar Aiyar & Co.

Chartered Accountants

ICAI Firm Reg. No. 109208W



Asha Patel

Partner

Membership No. 166048

Place: Mumbai

Date: April 29, 2025

UDIN: 25166048BMKNNL5663





**INDEPENDENT AUDITORS' CERTIFICATE**

To,  
**The Board of Directors**  
**Ashv Finance Limited**  
**12B, 3rd Floor, Techniplex-II IT Park**  
**Off. Veer Savarkar Flyover**  
**Goregaon (W),**  
**Mumbai - 400 062**

Dear Sirs,

**Sub: Statutory Auditor's Certificate on Certificate of Registration ('CoR') as per the XBRL Format for the year ended March 31, 2025.**

1. This certificate is issued in accordance with the terms of our engagement letter dated September 17, 2024.
2. The accompanying statement along with appendices of Ashv Finance Limited ('the Company') comprising of information relating to Key Business Financials of the Company as on March 31, 2025 as given in Annexure I (referred to as 'the Statement'), has been prepared and certified by management of the Company pursuant to the requirements of paragraph 9 of Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 issued vide Notification No. RBI/DNBS/2016-17/47 Master Direction DNBS.PPD.02/66.15.001/2016-17 dated 29 September 2016 and Notification no. RBI/2015-16/433/DNBS (PPD) CC.No./04/ 66.14.001/2015-16 dated 23 June 2016, as amended from time to time (the 'Notification') (together referred to as 'RBI Directions') issued by Reserve Bank of India (RBI) and communication from RBI to the Company received from time to time, requiring the Statutory Auditor Certificate to be submitted on the XBRL platform (referred to as 'RBI Communication'). The aforesaid Statement is initialled by us for identification purpose only.

**Management's responsibility**

3. The preparation of the Statement is the responsibility of the Company's management including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the above-mentioned RBI Directions and RBI Communication and for providing all relevant information to RBI.

**Auditor's responsibility**

5. We have audited the financial statements of the Company for the year ended March 31, 2025, on which we issued an unmodified audit opinion vide our report dated April 29, 2025. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India





('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties. We have issued additional auditors report addressed to the Board of Directors of the Company dated May 03, 2025 in compliance with the requirements of Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 (the 'Circular') and have not come across any exceptions that is required to be reported under paragraph 5 of the Circular.

6. Pursuant to RBI Directions and RBI Communication, it is our responsibility to examine the books and other records of the Company and provide reasonable assurance on whether:
  - the particulars set out at serial numbers 1, 6, 7, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 35, 36, 37 and 39 of the Statement are in agreement with the books and records of the Company as at 31 March, 2025 as produced for our examination;
  - the particulars set out at serial numbers 2, 3, 4 and 5 of the Statement are in agreement with the certificate of registration of the Company;
  - the financial information included in Table 1 to 4 with respect to computation of net owned funds (NOF) as stated in serial number 8 and Asset Income Pattern (AIP) as stated in serial number 11 in the Statement has been accurately extracted from the audited financial statements and underlying books and records maintained by the Company for the year ended March 31, 2025 and the calculations therein are mathematically accurate. The method of computation of NOF is as defined in the Notification and of AIP is as defined by management and specified in respective tables; and
  - the particulars set out at serial number 9, 22, 32, 33, 34 and 38 in the Statement are in agreement with the audited financial statements and underlying books and records maintained by the Company for the year ended March 31, 2025.
  - the Company continues to undertake the business of a Non-Banking Financial Institution requiring it to hold the CoR under section 45-IA of Reserve Bank of India Act, 1934 for the financial year ended March 31, 2025.
7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' issued by ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.




### Opinion

9. In our opinion and based on our examination of the records and according to the information and explanations given to us and notes provided in the Statement, in all material respects,
- the particulars set out at serial numbers 1, 6, 7, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 35, 36, 37 and 39 of the Statement are in agreement with the books and records of the Company as at March 31, 2025 as produced for our examination;
  - the particulars set out at serial numbers 2, 3, 4 and 5 of the Statement are in agreement with the certificate of registration of the Company;
  - the financial information included in Table 1 to 4 with respect to computation of net owned funds (NOF) as stated in serial number 8 and Asset Income Pattern (AIP) as stated in serial number 11 in the Statement has been accurately extracted from the audited financial statements and underlying books and records maintained by the Company for the year ended March 31, 2025 and the calculations therein are mathematically accurate. The method of computation of NOF is as defined in the Notification and of AIP is as defined by management and specified in respective tables; and
  - the particulars set out at serial number 9, 22, 32, 33, 34 and 38 in the Statement are in agreement with the audited financial statements and underlying books and records maintained by the Company for the year ended March 31, 2025.
  - the Company continues to undertake the business of a Non-Banking Financial Institution requiring it to hold the CoR under section 45-IA of Reserve Bank of India Act, 1934 for the financial year ended March 31, 2025.

### Restrictions of use

10. This certificate has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed pursuant to the RBI Communication. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

For V Sankar Aiyar & Co.  
Chartered Accountants  
FRN. 109208W



Asha Patel  
Partner  
Mem.No.166048  
UDIN: 25166048BMKNNY5607  
Place: Mumbai  
Date: May 05, 2025

Encl: Annexure -1: - Key Business Financials of the NBFC.



| Particulars  | Notes | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|-------|------------------------|------------------------|
| <b>ASSETS</b>  |       |                        |                        |
| <b>1 Financial Assets</b>  |       |                        |                        |
| (a) Cash and cash equivalents  | 5     | 1,485.34               | 9,497.68               |
| (b) Bank balance other than cash and cash equivalents                          | 6     | 2,773.97               | 7,231.93               |
| (c) Loans  | 7     | 4,642.03               | 55,900.28              |
| (d) Investments  | 8     | 7,368.46               | -                      |
| (e) Other financial assets   | 9     | 570.66                 | 962.44                 |
| <b>Total financial assets</b>  |       | <b>16,840.46</b>       | <b>73,592.33</b>       |
| <b>2 Non-financial assets</b>  |       |                        |                        |
| (a) Current tax assets (net)   |       | 121.55                 | 911.15                 |
| (b) Deferred tax assets (net)  | 10    | -                      | 1,473.09               |
| (c) Property, plant and equipment  | 11A   | 77.33                  | 132.49                 |
| (d) Right-of-use asset   | 11B   | 133.49                 | 502.05                 |
| (e) Intangible assets under development  | 11C   | -                      | 251.44                 |
| (f) Goodwill   | 12A   | -                      | 12,366.08              |
| (g) Other Intangible assets  | 12B   | 1,088.84               | 992.85                 |
| (h) Other non-financial assets   | 13    | 603.71                 | 940.91                 |
| <b>Total non-financial assets</b>  |       | <b>2,024.92</b>        | <b>17,570.06</b>       |
| <b>Total assets</b>  |       | <b>18,865.38</b>       | <b>91,162.39</b>       |
| <b>LIABILITIES AND EQUITY</b>  |       |                        |                        |
| <b>1 Financial liabilities</b>   |       |                        |                        |
| (a) Payables   |       |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises          | 14    | 2.93                   | 1.89                   |
| (ii) total outstanding dues other than micro enterprises and small enterprises | 14    | 60.73                  | 40.69                  |
| (b) Debt securities  | 15    | -                      | 19,946.73              |
| (c) Borrowings (other than debt securities)                                    | 16    | 2,782.36               | 34,339.47              |
| (d) Subordinated liabilities   | 17    | 993.28                 | 1,001.57               |
| (e) Other financial liabilities  | 18    | 5,739.61               | 3,658.49               |
| <b>Total financial liabilities</b>   |       | <b>9,578.91</b>        | <b>58,988.84</b>       |
| <b>2 Non-financial liabilities</b>   |       |                        |                        |
| (a) Provisions   | 19    | 192.20                 | 286.73                 |
| (b) Other non-financial liabilities  | 20    | 73.97                  | 188.48                 |
| <b>Total non-financial liabilities</b>   |       | <b>266.17</b>          | <b>475.21</b>          |
| <b>3 Equity</b>  |       |                        |                        |
| (a) Equity share capital   | 21A   | 4,700.03               | 4,115.03               |
| (b) Instruments entirely equity in nature                                      | 21B   | 1,310.01               | 1,895.01               |
| (c) Other equity   | 22    | 3,010.26               | 25,688.30              |
| <b>Total equity</b>  |       | <b>9,020.30</b>        | <b>31,698.34</b>       |
| <b>Total liabilities and equity</b>  |       | <b>18,865.38</b>       | <b>91,162.39</b>       |

Summary of material 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.

V Sankar Aiyar and Co.  
Chartered Accountants  
Firm registration number: 109208W

  
Asha Patel  
Partner

Membership No: 166048



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

  
Vineet Chandra Rai  
Chairman  
DIN: 00606290

  
Shristi Padia  
Company Secretary

Place: Mumbai  
Date: April 29, 2025

  
Nikesh Kumar Sinha  
Managing Director & CEO  
DIN: 08268336

  
Amit Kothari  
Chief Financial Officer

  
Atreya Rayaprolu  
Authorised Signatory

Place: Mumbai  
Date: April 29, 2025

**Ashv Finance Limited**  
**Statement of profit and loss for the year ended 31 March 2025**  
(All amounts in ₹ lakhs unless otherwise stated)

| Particulars   | Notes | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---|-------|-----------------------------|-----------------------------|
| <b>1 Revenue from operations</b>                                    |       |                             |                             |
| (i) Interest income   | 23    | 8,550.95                    | 16,751.23                   |
| (ii) Net gain on fair value changes                                 | 24    | 285.57                      | 454.72                      |
| (iii) Net gain on assignment of loans                               |       | 479.64                      | 275.37                      |
| (iv) Other operating revenue  | 25    | 566.91                      | 989.69                      |
| <b>Total revenue from operations</b>                                |       | <b>9,883.07</b>             | <b>18,471.01</b>            |
| <b>2 Other income</b>   | 26    | <b>230.94</b>               | <b>39.64</b>                |
| <b>3 Total income</b>   |       | <b>10,114.01</b>            | <b>18,510.65</b>            |
| <b>4 Expenses</b>   |       |                             |                             |
| (i) Finance costs   | 27    | 5,520.01                    | 11,051.94                   |
| (ii) Fee and commission expense                                     |       | 165.72                      | 475.76                      |
| (iii) Impairment on financial instruments                           | 28    | 3,271.88                    | 11,222.22                   |
| (iv) Net loss on sale of portfolio                                  | 29    | 3,372.02                    | -                           |
| (v) Impairment of Goodwill  |       | 12,366.08                   | -                           |
| (vi) Employee benefits expense                                      | 30    | 3,881.08                    | 4,309.87                    |
| (vii) Depreciation and amortisation expense                         | 31    | 645.99                      | 610.87                      |
| (viii) Other expenses   | 32    | 2,120.93                    | 1,712.51                    |
| <b>Total expenses</b>   |       | <b>31,343.71</b>            | <b>29,383.17</b>            |
| <b>5 Loss before tax</b>  |       | <b>(21,229.70)</b>          | <b>(10,872.52)</b>          |
| <b>6 Tax expense :</b>  | 37    |                             |                             |
| (a) Current tax expense   |       | -                           | -                           |
| (b) Deferred tax charge   |       | 1,473.09                    | 141.42                      |
| (c) Taxes of earlier years  |       | (39.72)                     | 0.14                        |
|   |       | <b>1,433.37</b>             | <b>141.56</b>               |
| <b>7 Loss for the year</b>  |       | <b>(22,663.07)</b>          | <b>(11,014.08)</b>          |
| <b>8 Other comprehensive income, net of tax</b>                     |       |                             |                             |
| (i) Items that will not be reclassified to profit or loss           |       |                             |                             |
| Loss on Remeasurement of defined benefit plans                      |       | 14.97                       | 5.93                        |
| Income tax relating to remeasurement gains on defined benefit plans |       | -                           | -                           |
| <b>Other comprehensive income</b>                                   |       | <b>14.97</b>                | <b>5.93</b>                 |
| <b>9 Total comprehensive income for the year</b>                    |       | <b>(22,678.04)</b>          | <b>(11,020.01)</b>          |
| <b>10 Earnings per equity share (Face value of Rs. 10 each)</b>     |       |                             |                             |
| Basic (in ₹)  | 33    | (49.04)                     | (26.77)                     |
| Diluted (in ₹)  | 33    | (49.04)                     | (26.77)                     |
| Summary of material 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.

**V Sankar Aiyar and Co.**  
Chartered Accountants  
Firm registration number: 109208W





**Asha Patel**  
Partner

Membership No: 166048



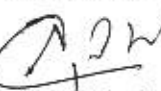
For and on behalf of the Board of Directors  
**Ashv Finance Limited**

  
**Vineet Chandra Rai**  
Chairman  
DIN: 00606290

  
**Shristi Padia**  
Company Secretary


Place: Mumbai  
Date: April 29, 2025

  
**Nikesh Kumar Sinha**  
Managing Director & CEO  
DIN: 08268336

  
**Amit Kothari**  
Chief Financial Officer

Place: Mumbai  
Date: April 29, 2025



  
**Atreya Rayaprolu**  
Authorised Signatory



**Ashv Finance Limited**  
**Statement of Cash Flows for the year ended 31 March 2025**  
(All amounts in ₹ lakhs unless otherwise stated)

| Particulars   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                             |                             |                             |
| Profit before tax   | (21,229.70)                 | (10,872.52)                 |
| <b>Adjustments for:</b>   |                             |                             |
| Depreciation and amortisation expenses                                  | 645.99                      | 610.87                      |
| Impairment on financial assets including Loans written off              | 3,271.88                    | 11,222.22                   |
| Impairment of Goodwill  | 12,366.08                   |                             |
| Share-based payments to employees                                       | -                           | 19.28                       |
| (Profit)/ Loss on sale of fixed assets                                  | (11.28)                     | (0.62)                      |
| Interest expense on lease liability                                     | 49.42                       | 79.33                       |
| Gain on derecognition of assigned receivables                           | (479.64)                    | (275.37)                    |
| Net gain on fair value changes  | (285.57)                    | (454.72)                    |
| Finance cost  | 5,470.59                    | 10,972.61                   |
| Interest Income   | (8,186.37)                  | (13,976.97)                 |
| Effective interest rate adjustment for financial instruments            | 252.53                      | 179.02                      |
| Interest income from fixed deposits                                     | (364.58)                    | (659.50)                    |
| Interest income on income tax refund                                    | (71.61)                     | (23.96)                     |
| Intangible asset unrecognised on internally developed intangible assets | 251.44                      | -                           |
| Provisions for employee benefits  | (45.97)                     | 14.51                       |
| <b>Operating profit/(loss) before working capital changes</b>           | <b>(8,366.79)</b>           | <b>(5,165.82)</b>           |
| <b>Adjustment for change in working capital:</b>                        |                             |                             |
| Increase/(Decrease) in trade payables                                   | 21.08                       | (156.85)                    |
| Increase/ (Decrease) in other liabilities                               | 2,307.69                    | (777.25)                    |
| (Increase)/ Decrease in loans and advances                              | 48,838.51                   | 13,143.25                   |
| (Increase)/ Decrease in other assets                                    | 1,208.62                    | 2,006.45                    |
| <b>Cash used in operating activities</b>                                | <b>44,009.11</b>            | <b>9,049.78</b>             |
| Interest income received  | 7,334.23                    | 15,195.43                   |
| Repayment of Finance costs  | (6,928.00)                  | (10,584.47)                 |
| Income tax paid, net of refunds   | 900.89                      | 289.89                      |
| <b>Net cash generated from / (used in) operating activities</b>         | <b>(A) 45,316.23</b>        | <b>13,950.63</b>            |
| <b>Cash flows from investing activities</b>                             |                             |                             |
| Purchase of property, plant and equipment                               | (16.61)                     | (20.54)                     |
| Cost incurred on internally developed intangible assets                 | (439.71)                    | (691.66)                    |
| Proceeds from sale of property, plant and equipment                     | 16.61                       | 0.60                        |
| Purchase of investment measured at FVTPL                                | (56,207.46)                 | (1,44,868.72)               |
| Proceeds from sale of investment measured at FVTPL                      | 49,124.57                   | 1,45,597.79                 |
| Fixed deposits with bank  | 4,822.54                    | (281.89)                    |
| <b>Net cash generated from / (used in) investing activities</b>         | <b>(B) (2,700.06)</b>       | <b>(264.42)</b>             |



**Ashv Finance Limited**  
**Statement of Cash Flows for the year ended 31 March 2025**  
(All amounts in ₹ lakhs unless otherwise stated)

| Particulars   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---|-----------------------------|-----------------------------|
| <b>Cash flows from financing activities</b>   |                             |                             |
| Proceeds from issuance of Equity shares   | -                           | 0.17                        |
| Proceeds from issuance of preference shares   | -                           | 8,760.97                    |
| Proceeds of borrowings availed through debt securities                              | -                           | 12,714.05                   |
| Proceeds of borrowings availed through other than debt securities                   | 7,632.49                    | 22,250.00                   |
| Proceeds of borrowings availed through Subordinated liabilities                     | -                           | 1,002                       |
| Repayment of debt securities  | (18,761.03)                 | (17,205.90)                 |
| Repayment of borrowings other than debt securities                                  | (39,178.89)                 | (39,713.15)                 |
| Repayment of lease liabilities  | (321.08)                    | (331.46)                    |
| <b>Cash generated from/ (used in) financing activities</b>                          | <b>(C) (50,628.51)</b>      | <b>(12,523.75)</b>          |
| <b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b> | <b>(8,012.34)</b>           | <b>1,162.46</b>             |
| Cash and cash equivalents at the beginning of the year (refer note 5)               | 9,497.68                    | 8,335.22                    |
| <b>Cash and cash equivalents at the end of the year (refer note 5)</b>              | <b>1,485.34</b>             | <b>9,497.68</b>             |
| Note 1: Cash and cash equivalents as per note 5                                     | 1,485.34                    | 9,497.68                    |
|   | <b>1,485.34</b>             | <b>9,497.68</b>             |

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.

**V Sankar Aiyar and Co.**  
Chartered Accountants  
Firm registration number: 109208W



**Asha Patel**  
Partner  
Membership No: 166048

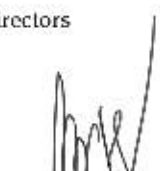
For and on behalf of the Board of Directors  
**Ashv Finance Limited**



**Vineet Chandra Rai**  
Chairman  
DIN: 00606290



**Shristi Padia**  
Company Secretary



**Nikesh Kumar Sinha**  
Managing Director and CEO  
DIN: 08268336



**Amit Kothari**  
Chief Financial Officer



  
**Atreya Rayaprolu**  
Authorised Signatory

Place: Mumbai  
Date: April 29, 2025

Place: Mumbai  
Date: April 29, 2025



**Ashv Finance Limited**  
**Statement of Changes in Equity for the year ended 31 March 2025**  
(All amounts in ₹ lakhs unless otherwise stated)

**A. Equity share capital**

|                             | Equity share capital |
|-----------------------------|----------------------|
| Balance as at 31 March 2023 | 4,115.01             |
| Issue of Equity Shares      | 0.02                 |
| Balance as at 31 March 2024 | 4,115.03             |
| Allotted during the year    | 585.00               |
| Balance as at 31 March 2025 | 4,700.03             |

**B. Instruments entirely equity in nature**

**Compulsory Convertible Preference Shares ('CCPS')**

|  | Preference Share Capital |
|--|--------------------------|
| Balance as at 31 March 2023                | 847.77                   |
| Issue of CCPS                              | 1,047.24                 |
| Balance as at 31 March 2024                | 1,895.01                 |
| Allotment of Equity Shares during the year | (585.00)                 |
| Balance as at 31 March 2025                | 1,310.01                 |

**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 2023                              | 28,981.85            | 313.72                            | 746.39            | (1,066.81)                                  | 28,975.15   |
| Loss for the year  | -                    | -                                 | -                 | (11,014.08)                                 | (11,014.08) |
| Remeasurement loss on defined benefit plans              | -                    | -                                 | -                 | (5.93)                                      | (5.93)      |
| Issue of Equity Shares pursuant to Scheme of Arrangement | 7,713.88             | -                                 | -                 | -   | 7,713.88    |
| Share based compensation for the period                  | -                    | 19.28                             | -                 | -   | 19.28       |
| Balance as at 31 March 2024                              | 36,695.73            | 333.00                            | 746.39            | (12,086.82)                                 | 25,688.30   |
| Loss for the year  | -                    | -                                 | -                 | (22,663.07)                                 | (22,663.07) |
| Remeasurement loss on defined benefit plans              | -                    | -                                 | -                 | (14.97)                                     | (14.97)     |
| Balance as at 31 March 2025                              | 36,695.73            | 333.00                            | 746.39            | (34,764.86)                                 | 3,010.26    |

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.

**V Sankar Aiyar and Co.**  
Chartered Accountants  
Firm registration number: 109208W

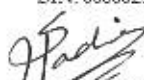


Asha Patel  
Partner  
Membership No: 166048


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

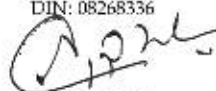


Vineet Chandra Rai  
Chairman  
DIN: 00606290



Shristi Padia  
Company Secretary

  
Nikesh Kumar Sinha  
Managing Director & CEO  
DIN: 08268336



Amit Kothari  
Chief Financial Officer



Atreya Rayaprolu  
Authorised Signatory

Place: Mumbai  
Date: April 29, 2025

Place: Mumbai  
Date: April 29, 2025



## 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 2025 were authorized and approved by the Board of Directors of the Company in their meeting held on April 29, 2025.

### 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 material accounting policies

### a) Basis of measurement

The financial statements have been prepared using the material 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. In case the Company does not expects a reasonable certainty of future taxable income, deferred tax assets are derecognised.

**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 material 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 nos. 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.

Interest cost incurred on borrowings which is utilised for development of a capital asset is added to cost of such asset.

#### 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 effect of all dilutive potential equity shares. If the diluted EPS is higher than basic EPS, the basic EPS is considered as diluted EPS.



**3 Summary of material 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 Summary of material accounting policies (cont'd)

#### g) Property, plant and equipment (PPE) (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 in-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 Summary of material 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

##### 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 are 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 Summary of material 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 or (loss) 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 39 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 39 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 39 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 Summary of material 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 Summary of material 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 representing present obligation 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 Summary of material 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 Standards issued but not yet effective as on date

The Ministry of Corporate Affairs ("MCA"), through its notifications, introduces new standards or makes amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015, regularly. However, there are no such notifications which would have been applicable with effect from 01 April 2024.





**5 Cash and cash equivalents**

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Cash on hand  | 1.32                   | 12.10                  |
| Balances with banks:                                      |                        |                        |
| - in current accounts                                     | 1,484.02               | 2,815.02               |
| - Bank deposits with original maturity less than 3 months | -                      | 6,670.56               |
|   | <b>1,485.34</b>        | <b>9,497.68</b>        |

**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 2025, no fixed deposits are pledged against credit facilities (31 March 2024: ₹ 2,609.25).

**6 Bank balance other than cash and cash equivalents**

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Fixed deposits with banks with original maturity more than 3 months |                        |                        |
| - Deposits - maturity more than 3 but less than 12 months           | 609.74                 | 1,533.17               |
| - Deposits - maturity more than 12 months                           | 2,164.23               | 5,698.76               |
|   | <b>2,773.97</b>        | <b>7,231.93</b>        |

**Note**

Out of total fixed deposits with the bank, fixed deposits of ₹ 1,192.53 are pledged against credit facilities (31 March 2024: ₹ 4,448.70), fixed deposits are lien marked against overdraft facilities of ₹ 1,539.65 (31 March 2024: ₹ 2,106.51) and fixed deposit are lien marked against off-balance sheet exposures of ₹ 41.79 (31 March 2024: ₹ 288.45)

**7 Loans**

| Particulars                               | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| <b>At Amortised Cost</b>                  |                        |                        |
| Term loans to customers, net of deferral* | 5,435.17               | 58,658.77              |
| Less: Impairment on financial instruments | (793.14)               | (2,758.49)             |
|   | <b>4,642.03</b>        | <b>55,900.28</b>       |

\* includes interest accrued on loan to customer of ₹ 841.65 (31 March 2024: ₹ 1,693.79)

**Notes:**

- The net carrying amount of loans is considered a reasonable approximation of their fair value.
- Refer note 40 for ECL disclosures.
- The Security wise breakup of the Loans is as below:

**i. Secured by tangible assets:**

|   |                 |                  |
|---|-----------------|------------------|
| - Hypothecation of movable and other assets | 160.51          | 49.30            |
| - Plant & Machinery                         | -               | 8.37             |
| - Land and Building                         | 3.81            | 1,122.82         |
| ii. Hypothecation of current assets         | 2.27            | 10,203.44        |
| iii. Hypothecation of Book Debts            | 4.03            | 86.34            |
| iv. Government Guarantees                   | -               | 418.56           |
| v. Unsecured                                | 4,422.90        | 44,710.74        |
|   | <b>4,593.52</b> | <b>56,599.57</b> |

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

Add: Interest accrued on loans

Loans to customers, net of deferral

5,435.17 58,658.77

**7 Loans (cont'd)****Loans in India**

|                  |                 |                  |
|------------------|-----------------|------------------|
| - Public sector  | -               | -                |
| - Private sector | 4,593.52        | 56,599.57        |
|                  | <b>4,593.52</b> | <b>56,599.57</b> |

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

Add: Interest accrued on loans

Loans to customers, net of deferral (A)

5,435.17 58,658.77



## 7 Loans (cont'd)

|   |                 |                  |
|---|-----------------|------------------|
| Loans outside India   | -               | -                |
| Add: Deferral of net income/expense on origination of loans | -               | -                |
| Add: Interest accrued on loans                              | -               | -                |
| Loans to customers, net of deferral (B)                     | -               | -                |
| <b>Loans to customers, net of deferral (A+B)</b>            | <b>5,435.17</b> | <b>58,658.77</b> |

- 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 51(3).  
f) There are no loans given to Promoters, Directors, key managerial personnel (KMPs) and related party.

## 8 Investments

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| <b>Investment in Mutual Fund at Fair value through Profit or Loss:</b>        |                        |                        |
| - Investments outside India   | -                      | -                      |
| - Investments in India  | 5,235.62               | -                      |
| <b>Investment in Security Receipts at Fair value through Profit or Loss:*</b> |                        |                        |
| - Investments outside India   | -                      | -                      |
| - Investments in India  | 2,132.84               | -                      |
|   | <b>7,368.46</b>        | <b>-</b>               |

\* The Company sold stressed loan assets amounting to ₹ 14,765.28 (Gross) outstanding as on May 31, 2024 to Asset Reconstruction Company (India) Limited (ARCIL) on June 29, 2024 for which it received sale consideration of ₹ 2,953.06. Further, the Company invested in Security Receipts issued by ARCIL (2,51,005 nos. i.e 85% holding) at Face Value of Rs. 1,000 each totalling to Rs. 2,510.05. The carrying value of the investment in Security Receipts as at March 31, 2025 is ₹ 2,132.84 as per NAV Certificate issued by the ARCIL.

## 9 Other financial assets

| Particulars                                      | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Gain receivable on Direct Assignment Transaction | 431.07                 | 741.00                 |
| Less: Impairment on financial instruments        | (82.87)                | (95.75)                |
|  | <b>348.20</b>          | <b>645.25</b>          |
| Security deposits                                | 24.04                  | 135.45                 |
| Loans to employees                               | 5.74                   | 29.42                  |
| Receivable for services                          | 64.98                  | 84.71                  |
| Other receivables                                | 127.70                 | 67.61                  |
|  | <b>570.66</b>          | <b>962.44</b>          |

## 10 Deferred tax assets (net)

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| <b>Deferred tax asset arising on account of:</b>      |                        |                        |
| Impairment loss allowances on loans                   | -                      | 781.08                 |
| On carried forward losses                             | -                      | 1,552.94               |
| Disallowance u/s 43B and other provisions             | -                      | 97.59                  |
| On Lease Liability                                    | -                      | 7.80                   |
| On property, plant and equipment                      | -                      | 11.14                  |
| <b>Total deferred tax assets</b>                      | <b>-</b>               | <b>2,450.55</b>        |
| <b>Deferred tax liability arising on account of:</b>  |                        |                        |
| On gain on derecognition of assigned receivables      | -                      | 686.80                 |
| On adjustments for Effective interest rate accounting | -                      | 290.66                 |
| <b>Total deferred tax liabilities</b>                 | <b>-</b>               | <b>977.46</b>          |
| <b>Net deferred tax assets</b>                        | <b>-</b>               | <b>1,473.09</b>        |



The Company has derecognised deferred tax assets (net) during the current financial year due to significant tax losses incurred by the company over the last few financial years and hence it is not probable that the future taxable profits would be available against which the unused tax losses or unused tax credits can be utilised.



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

|                                   | Server | Computers | Furniture and fixtures | Office equipment | Total PPE |
|-----------------------------------|--------|-----------|------------------------|------------------|-----------|
| <b>Gross block</b>                |        |           |                        |                  |           |
| Balance as at 31 March 2023       | 2.59   | 273.03    | 201.61                 | 35.72            | 512.95    |
| Additions                         | -      | 11.51     | -                      | 1.48             | 12.99     |
| Disposals                         | -      | (0.09)    | -                      | -                | (0.09)    |
| Balance as at 31 March 2024       | 2.59   | 284.45    | 201.61                 | 37.20            | 525.85    |
| Additions                         | -      | 7.69      | 6.78                   | 2.14             | 16.61     |
| Disposals                         | -      | (93.30)   | (3.80)                 | (1.22)           | (98.32)   |
| Balance as at 31 March 2025       | 2.59   | 198.84    | 204.59                 | 38.12            | 444.14    |
| <b>Accumulated depreciation</b>   |        |           |                        |                  |           |
| Balance as at 31 March 2023       | 0.24   | 154.34    | 124.61                 | 33.90            | 313.09    |
| Depreciation charge of the period | 0.43   | 60.84     | 17.04                  | 1.96             | 80.27     |
| Disposals                         | -      | -         | -                      | -                | -         |
| Balance as at 31 March 2024       | 0.67   | 215.18    | 141.65                 | 35.86            | 393.36    |
| Depreciation charge of the period | 0.43   | 45.62     | 18.56                  | 2.05             | 66.66     |
| Disposals                         | -      | (89.84)   | (1.20)                 | (2.17)           | (93.21)   |
| Balance as at 31 March 2025       | 1.10   | 170.96    | 159.01                 | 35.74            | 366.81    |
| <b>Net block</b>                  |        |           |                        |                  |           |
| As at 31 March 2024               | 1.92   | 69.27     | 59.96                  | 1.34             | 132.49    |
| As at 31 March 2025               | 1.49   | 27.88     | 45.58                  | 2.37             | 77.33     |

**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 2025 (31 March 2024: Nil).

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

There have been no revaluation during the year ended 31 March 2025 (31 March 2024: Nil).

**11 B. Right-of-use asset**

|                                   | Office premises | Total    |
|-----------------------------------|-----------------|----------|
| <b>Gross block</b>                |                 |          |
| Balance as at 31 March 2023       | 755.56          | 755.56   |
| Additions                         | 445.02          | 445.02   |
| Disposal                          | -               | -        |
| Balance as at 31 March 2024       | 1,200.58        | 1,200.58 |
| Additions                         | 94.07           | 94.07    |
| Disposal                          | (227.02)        | (227.02) |
| Balance as at 31 March 2025       | 1,067.63        | 1,067.63 |
| <b>Accumulated depreciation</b>   |                 |          |
| Balance as at 31 March 2023       | 422.53          | 422.53   |
| Amortization charge of the period | 276.00          | 276.00   |
| Balance as at 31 March 2024       | 698.53          | 698.53   |
| Amortization charge of the period | 235.61          | 235.61   |
| Balance as at 31 March 2025       | 934.14          | 934.14   |
| <b>Net block</b>                  |                 |          |
| As at 31 March 2024               | 502.05          | 502.05   |
| As at 31 March 2025               | 133.49          | 133.49   |



## 11 C. Intangible assets under development

| Particulars                   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------|------------------------|------------------------|
| Opening Balance (Gross)       | 251.44                 | 113.61                 |
| Additions                     | 152.91                 | 691.66                 |
| Impairments                   | -                      | -                      |
| Capitalised during the period | (404.35)               | (553.83)               |
| Disposal/other adjustments    | -                      | -                      |
|                               | <u>-</u>               | <u>251.44</u>          |

Addition to Intangible assets under development does not include borrowing costs during the year (FY 2023-24 : ₹ 16.26 ).

## Intangible assets under development ageing schedule

As at 31 March 2025

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

As at 31 March 2024

| Intangible assets under development | Amount in Intangible assets under development for a period of |           |           |                   |
|-------------------------------------|---|-----------|-----------|-------------------|
|                                     | Less than 1 year  | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress                | 251.44  | -         | -         | -                 |
| Projects temporarily suspended      | -   | -         | -         | -                 |

## 12 A. Goodwill

| Particulars                                    | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Opening Balance (Gross)                        | 12,366.08              | 12,366.08              |
| Additions (on account of business combination) | -                      | -                      |
| Impairments*                                   | (12,366.08)            | -                      |
| Disposal/other adjustments                     | -                      | -                      |
|  | <u>-</u>               | <u>12,366.08</u>       |

\* The Company has impaired Goodwill as on March 31, 2025 since it does not expect any recoverable amount and future economic benefits from its use or disposal.

## 12 B. Other intangible assets

| Particulars                 | Computer<br>Software | Total    |
|-----------------------------|----------------------|----------|
| <b>Gross block</b>          |                      |          |
| Balance as at 31 March 2023 | 1,001.89             | 1,001.89 |
| Additions                   | 561.38               | 561.38   |
| Disposals                   | -                    | -        |
| Balance as at 31 March 2024 | 1,563.27             | 1,563.27 |
| Additions                   | 439.71               | 439.71   |
| Disposals                   | (0.01)               | (0.01)   |
| Balance as at 31 March 2025 | 2,002.97             | 2,002.97 |
| <b>Amortisation</b>         |                      |          |
| Balance as at 31 March 2023 | 315.82               | 315.82   |
| Charge for the period       | 254.60               | 254.60   |
| Adjustments                 | -                    | -        |
| Balance as at 31 March 2024 | 570.42               | 570.42   |
| Charge for the period       | 343.71               | 343.71   |
| Adjustments                 | -                    | -        |
| Balance as at 31 March 2025 | 914.13               | 914.13   |
| <b>Net block</b>            |                      |          |
| As at 31 March 2024         | 992.85               | 992.85   |
| As at 31 March 2025         | 1,088.84             | 1,088.84 |

Addition to Intangible Assets does not includes borrowing cost capitalised on internally generated intangible asset during the year (FY 2023-24 : ₹ 28.47)





## 13 Other non-financial assets

| Particulars                         | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------|------------------------|------------------------|
| Prepaid expenses                    | 72.24                  | 490.19                 |
| Balance with government authorities | 531.47                 | 430.47                 |
| Other non-financial assets          | -                      | 0.25                   |
|                                     | <u>603.71</u>          | <u>940.91</u>          |

## 14 Payables

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| <b>Trade payables</b>   |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises, undisputed | 2.93                   | 1.89                   |
| (ii) total outstanding dues other than micro enterprises and small enterprises    |                        |                        |
| Dues to related parties   | -                      | 12.46                  |
| Others, undisputed  | 60.73                  | 28.23                  |
| <b>Other payables</b>   |                        |                        |
| (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  | -                      | -                      |
|   | <u>63.66</u>           | <u>42.58</u>           |

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

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Principal amount due to suppliers under MSMED Act, as at the year end (since paid)            | 2.93                   | 1.89                   |
| 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

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| <b>At Amortised Cost*</b>                                      |                        |                        |
| <b>Secured</b>   |                        |                        |
| - Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs) | -                      | 478.39                 |
| - Rated, Unlisted, Redeemable, NCDs                            | -                      | 14,016.72              |
|  | -                      | <u>14,495.11</u>       |
| <b>Unsecured</b>   |                        |                        |
| - Commercial Paper   | -                      | 2,455.07               |
|  | -                      | <u>2,455.07</u>        |
| <b>At FVTPL*</b>   |                        |                        |
| <b>Secured</b>   |                        |                        |
| - Principal Protected Market-linked Debentures (PPMLDs)        | -                      | 2,996.55               |
|  | -                      | <u>2,996.55</u>        |
|  | -                      | <u>19,946.73</u>       |
| <b>Unsecured</b>   |                        |                        |
| - Debt Securities in India                                     | -                      | 16,549.43              |
| - Debt Securities outside India                                | -                      | 3,397.30               |
|  | -                      | <u>19,946.73</u>       |

\* During the year, the Company sold off loan assets generated through direct selling agents as on December 31, 2024. This sale proceeds were utilised for the prepayment of Debt Facilities along with interest accrued till the date of prepayment. There are Nil outstanding balances of Debt Securities as on March 31, 2025.



## 15 Debt securities (cont'd)

Terms of repayment and security given are as below:

## Non-Convertible Debentures\*

| Description of NCD  | Date of Disbursement | Redemption Date | Yield            | Total outstanding as on 31 March 2025 | Total outstanding as on 31 March 2024 |
|---|----------------------|-----------------|------------------|---------------------------------------|---------------------------------------|
| 2,000 nos. 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% | -                                     | 2,996.55                              |
| 3,000 nos. at face value of Rs. 1,00,000 each amounting to Rs. 3,000 Lakh | 12-Nov-21            | 25-Oct-24       | 15.95%           | -                                     | 518.78                                |
| 1,500 nos. at face value of Rs. 1,00,000 each amounting to Rs. 1,500 Lakh | 21-Dec-21            | 20-Dec-24       | 15.80%           | -                                     | 498.88                                |
| 200 nos. at face value of Rs. 1,00,000 each amounting to Rs. 200 Lakh     | 21-Dec-21            | 20-Dec-24       | 13.30%           | -                                     | 66.54                                 |
| 18,500 nos. at face value of Rs. 10,000 each amounting to Rs. 1,850 Lakh  | 23-Dec-21            | 23-Dec-24       | 12.30%           | -                                     | 1,849.56                              |
| 18,500 nos. at face value of Rs. 10,000 each amounting to Rs. 1,850 Lakh  | 23-Dec-21            | 23-Dec-24       | 12.30%           | -                                     | 1,835.32                              |
| 210 nos. at face value of Rs. 10,00,000 each amounting to Rs. 2,100 Lakh  | 30-Mar-22            | 01-Jan-25       | 15.25%           | -                                     | 704.23                                |
| 150 nos. at face value of Rs. 10,00,000 each amounting to Rs. 1,500 Lakh  | 27-May-22            | 13-Jan-25       | 12.25%           | -                                     | 1,547.76                              |
| 300 nos. at face value of Rs. 10,00,000 each amounting to Rs. 3,000 Lakh  | 30-Jun-22            | 03-Mar-25       | 12.90%           | -                                     | 3,079.19                              |
| 200 nos. at face value of Rs. 10,00,000 each amounting to Rs. 2,000 Lakh  | 30-Aug-22            | 22-Jul-24       | 13.15%           | -                                     | 478.39                                |
| 20,000 nos. at face value of Rs. 10,000 each amounting to Rs. 2,000 Lakh  | 29-Mar-23            | 03-Jan-25       | 12.50%           | -                                     | 1,325.61                              |
| 1,500 nos. at face value of Rs. 1,00,000 each amounting to Rs. 1,500 Lakh | 12-Jul-23            | 03-Jan-25       | 14.50%           | -                                     | 1,119.38                              |
| 1,500 nos. at face value of Rs. 1,00,000 each amounting to Rs. 1,500 Lakh | 12-Jul-23            | 03-Jan-25       | 14.50%           | -                                     | 1,471.47                              |
| <b>Total</b>  |                      |                 |                  | -                                     | <b>17,491.66</b>                      |

## Commercial Papers\*

| Description of Commercial Papers | Date of Disbursement | Redemption Date | Yield  | Total outstanding as on 31 March 2025 | Total outstanding as on 31 March 2024 |
|----------------------------------|----------------------|-----------------|--------|---------------------------------------|---------------------------------------|
| From Financial Institutions      | 26-Nov-23            | 27-May-24       | 12.30% | -                                     | 2,455.07                              |
| <b>Total</b>                     |                      |                 |        | -                                     | <b>2,455.07</b>                       |

\* above figures are including EIR adjustments and accrued interest

## Other details of debt securities:

-All the NCDs were secured by way of Hypothecation of specified bank debts / loan receivables / fixed deposits

-The monthly or quarterly 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 had used the proceeds of NCDs when availed for the specific purpose for which it were 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.

- There are no debt securities guaranteed by the Directors or any other officers of the Company either severally or jointly with any other person.

## Repayment schedule of debt securities\*

|                   | 31 March 2025 | 31 March 2024    |
|-------------------|---------------|------------------|
| Up to 1 year      | -             | 12,657.86        |
| 1 to 5 years      | -             | 6,104.17         |
| more than 5 years | -             | -                |
|                   | -             | <b>18,762.03</b> |

\* above figures are excluding EIR adjustments and accrued interest

## 16 Borrowings (other than debt securities)\*

| Particulars                               | As at 31 March 2025 | As at 31 March 2024 |
|---|---------------------|---------------------|
| <b>At Amortised cost</b>                  |                     |                     |
| <b>Secured</b>                            |                     |                     |
| -Term loans from banks                    | -                   | 11,560.51           |
| -Term loans from Financial Institutions * | 1,485.12            | 22,315.53           |
| -Securitization borrowings                | 1,297.24            | 463.43              |
|   | <b>2,782.36</b>     | <b>34,339.47</b>    |
| <b>Un-Secured</b>                         |                     |                     |
| -Term loans from Financial Institutions * | -                   | -                   |
|   | -                   | -                   |
|   | <b>2,782.36</b>     | <b>34,339.47</b>    |

\* Term Loans from Financial Institutions represents External Commercial Borrowings outstanding of Rs. 1,485.12 (includes interest accrued and EIR Adjustment) as at 31st March 2025 for which an application is made to RBI seeking permission for prepayment of the borrowing considering the company exited unsecured business generated through direct selling agents with the Board Approval and accordingly sold its portfolio of unsecured loans as on December 31, 2024. The Company awaits for RBI approval as on March 31, 2025.

Above amounts include interest accrued but not due of ₹ 11.68 as on 31 Mar 2025 (31 Mar 2024: ₹ 185.69).



**16 Borrowings (other than debt securities)\* (cont'd)****Terms of repayment and security given are as below:**

Loans from banks and other than banks are secured by way of hypothecation of book debts created out of the loan amount. Rate of interest on these loans ranges from 11.52% to 12.00% per annum as on 31 March 2025 (As on 31 March 2024: 10.15% to 15.05% per annum).

**Other details of borrowings:**

- The monthly or quarterly 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 guaranteed by the Directors or any other officers of the Company either severally or jointly with any other person.
- No short term funds have been used for long term purposes.

| Repayment schedule of term loans* | 31 March 2025   | 31 March 2024    |
|-----------------------------------|-----------------|------------------|
| Up to 1 year                      | 1,489.54        | 21,132.60        |
| 1 to 5 years                      | 1,300.97        | 13,703.20        |
| More than 5 years                 | -               | 500.00           |
|                                   | <b>2,790.51</b> | <b>35,335.80</b> |

\* above figures are excluding EIR adjustments and accrued interest.

**17 Subordinated liabilities\***

| Particulars                  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------|------------------------|------------------------|
| At Amortised cost            |                        |                        |
| Un-Secured                   |                        |                        |
| -from financial institutions | 993.28                 | 1,001.57               |
|                              | <b>993.28</b>          | <b>1,001.57</b>        |

\* Subordinated Liabilities from Financial Institutions represents Subordinated Debts outstanding of Rs. 993.28 (includes interest accrued and EIR Adjustment) as at 31st March 2025 for which an application is made to RBI seeking permission for prepayment of the borrowing considering the company exited unsecured business generated through direct selling agents with the Board Approval and accordingly sold its portfolio of unsecured loans as on December 31, 2024. The Company awaits for RBI approval as on March 31, 2025.

Above amounts include interest accrued but not due of ₹ 1.75 as on 31 Mar 2025 (31 Mar 2024: ₹ 1.57).

**Terms of repayment are given below:**

| Description of Subordinate Debt* | Date of<br>Disbursement | Redemption<br>Date | Yield  | Total<br>outstanding as<br>on 31 March 2025 | Total<br>outstanding as<br>on 31 March 2024 |
|----------------------------------|-------------------------|--------------------|--------|---|---|
| From Financial Institutions      | 28-Dec-23               | 28-Jun-29          | 16.00% | 993.28                                      | 1,001.57                                    |
|                                  |                         |                    |        | <b>993.28</b>                               | <b>1,001.57</b>                             |

\* above figures are including EIR adjustments and accrued interest.

| Repayment schedule of subordinated liabilities* | 31 March 2025   | 31 March 2024   |
|---|-----------------|-----------------|
| Up to 1 year                                    | -               | -               |
| 1 to 5 years                                    | 500.00          | 500.00          |
| More than 5 years                               | 500.00          | 500.00          |
|   | <b>1,000.00</b> | <b>1,000.00</b> |

\* above figures are excluding accrued interest

**18 Other financial liabilities**

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Cash collateral from customers                                      | 94.53                  | 166.13                 |
| Advance from customers*   | 624.62                 | 639.99                 |
| Lease liability   | 152.31                 | 556.92                 |
| Dues to the assignees towards collections from assigned receivables | 353.52                 | 1,239.50               |
| Employee payables   | 10.79                  | 266.31                 |
| Payable to Related Parties  | -                      | 1.66                   |
| Remittances of collections pending to buyer of the portfolio        | 764.40                 | -                      |
| Advance against off book exposure (Net)                             | 2,609.67               | -                      |
| Other payables  | 1,127.77               | 787.98                 |
|   | <b>5,739.61</b>        | <b>3,638.49</b>        |

\*Advance from customers majorly represent TDS refunds pending to customers which are reconciled on a periodic basis on receipt of intimation for refund from customers and accordingly refunds are processed to customers.



## 19 Provisions

| Particulars                               | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Provision for employee benefits           |                        |                        |
| Gratuity                                  | 192.20                 | 223.20                 |
| Provision for off-balance sheet exposures | -                      | 63.53                  |
|   | <u>192.20</u>          | <u>286.73</u>          |

## 20 Other non-financial liabilities

| Particulars           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------|------------------------|------------------------|
| Statutory liabilities | 73.97                  | 188.48                 |
|                       | <u>73.97</u>           | <u>188.48</u>          |

## 21 A. Equity Share capital

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Authorised   |                        |                        |
| 7,94,00,000 (31 March 2024: 7,34,00,000) equity shares of ₹ 10 each  | 7,940.00               | 7,340.00               |
|  | <u>7,940.00</u>        | <u>7,340.00</u>        |
| Issued, subscribed and paid-up                                       |                        |                        |
| 4,11,50,269 (31 March 2024: 4,11,50,069) equity shares of ₹ 10 each  | 4,115.03               | 4,115.03               |
| (+1) Allotted during the year : 58,49,966 equity shares of ₹ 10 each | 585.00                 | -                      |
|  | <u>4,700.03</u>        | <u>4,115.03</u>        |

a) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2025 and 31 March 2024 is set out below:

| Particulars                          | As at<br>31 March 2025 |                 | As at<br>31 March 2024 |                 |
|--------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                      | Number                 | Amount          | Number                 | Amount          |
| Reconciliation of share capital      |                        |                 |                        |                 |
| Balance at the beginning of the year | 4,11,50,269            | 4,115.03        | 4,11,50,069            | 4,115.01        |
| Add: Allotted during the year        | 58,49,966              | 585.00          | 200                    | 0.02            |
| Balance at the end of the year       | <u>4,70,00,235</u>     | <u>4,700.03</u> | <u>4,11,50,269</u>     | <u>4,115.03</u> |

## 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

| Particulars  | As at<br>31 March 2025 |                            | As at<br>31 March 2024 |                            |
|--|------------------------|----------------------------|------------------------|----------------------------|
|  | No. of shares          | Percent of<br>shareholding | No. of shares          | Percent of<br>shareholding |
| Equity shares  |                        |                            |                        |                            |
| Intellectual Capital Advisory Services Private Limited ("Intellectual")                  | 1,18,61,955            | 25.24%                     | 1,18,61,955            | 28.83%                     |
| Aavishkaar Venture Management Services Private Limited ("AVMS")                          | 57,38,976              | 12.21%                     | 1,90,40,334            | 46.27%                     |
| ON Mauritius   | 65,05,267              | 13.84%                     | 47,84,689              | 11.63%                     |
| DWM (International) Mauritius Limited  | 33,27,341              | 7.08%                      | -                      | -                          |
| Legal Owner Triodos Funds B.V. in its capacity as legal owner of Triodos Fair Share Fund | 43,87,804              | 9.34%                      | -                      | -                          |
| Triodos SICAV II - Triodos Microfinance Fund   | 43,79,266              | 9.32%                      | -                      | -                          |
| Teachers Insurance and Annuity Association of America                                    | 57,55,613              | 12.25%                     | -                      | -                          |
| NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ   | 31,86,751              | 6.78%                      | -                      | -                          |





## 21 A. Equity Share capital (cont'd)

- d) The Company has not allotted any bonus shares in the five years immediately preceding 31 March 2025. The Company has not bought back equity shares during five years immediately preceding 31 March 2025. During the financial year ended 31 March 2025, the Company had allotted 38,49,966 shares due conversion of Series C CCPS to ON Mauritius (17,20,578 shares), DWM (International) Mauritius Limited (20,64,694 shares), Triodos Custody B.V. INZ, Triodos Fair Share Fund (10,32,347 shares) and Triodos SICAV II - Triodos Microfinance Fund (10,32,347 shares)
- e) For details of equity shares reserved for issuance under the ESOP plan of the Company, refer note 36
- 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:

| Particulars                       | 31 March 2025    | 31 March 2024 |
|-----------------------------------|------------------|---------------|
| Promoter name                     | i. AVMS          |               |
|                                   | ii. Intellectual |               |
| Number of shares held             | 1,76,00,931      | 3,09,02,289   |
| Percentage of total shares        | 37.45%           | 75.10%        |
| Percentage change during the year | -37.65%          | 0.00%         |

## 21 B. Instrument entirely equity in nature - Preference share capital

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| <b>Authorised</b>  |                        |                        |
| (ii) 60,00,000 (31 March 2024: 60,00,000) 0.001% Series C CCPS of ₹ 10 each  | -                      | 600.00                 |
| (iii) 56,00,000 (31 March 2024: 56,00,000) 0.001% Series D CCPS of ₹ 10 each | 560.00                 | 560.00                 |
| (iii) 2,60,00,000 Series E CCPS of ₹ 10 each                                 | 2,600.00               | 2,600.00               |
|  | <u>3,160.00</u>        | <u>3,760.00</u>        |
| <b>Issued, subscribed and paid-up</b>  |                        |                        |
| (ii) 38,49,966 (31 March 2024: 38,49,966) 0.001% Series C CCPS of ₹ 10 each  | -                      | 585.00                 |
| (iii) 26,27,724 (31 March 2024: 26,27,724) 0.001% Series D CCPS of ₹ 10 each | 262.77                 | 262.77                 |
| (iii) 1,04,72,385 (31 March 2024: Nil) 0.001% Series E CCPS of ₹ 10 each     | 1,047.24               | 1,047.24               |
|  | <u>1,310.01</u>        | <u>1,895.01</u>        |

- a) The reconciliation of the number of shares outstanding and the amount of CCPS as at 31 March 2025 and 31 March 2024 is set out below:

| Particulars                                | As at<br>31 March 2025 |          | As at<br>31 March 2024 |          |
|--|------------------------|----------|------------------------|----------|
|  | Number                 | Amount   | Number                 | Amount   |
| <b>Reconciliation of CCPS</b>              |                        |          |                        |          |
| <b>0.001% CCPS - Series C of ₹ 10 each</b> |                        |          |                        |          |
| Balance at the beginning of the year       | 58,49,966              | 585.00   | 58,49,966              | 585.00   |
| Add : Issued during the year               | -                      | -        | -                      | -        |
| Less: Converted during the year            | 58,49,966              | 585.00   | -                      | -        |
| Balance at the end of the year             | -                      | -        | 58,49,966              | 585.00   |
| <b>0.001% CCPS - Series D of ₹ 10 each</b> |                        |          |                        |          |
| 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>0.001% CCPS - Series E of ₹ 10 each</b> |                        |          |                        |          |
| Balance at the beginning of the year       | 1,04,72,385            | 1,047.24 | -                      | -        |
| Add : Issued during the year               | -                      | -        | 1,04,72,385            | 1,047.24 |
| Balance at the end of the year             | 1,04,72,385            | 1,047.24 | 1,04,72,385            | 1,047.24 |

## b) Terms and rights attached to preference shares

## Terms and rights attached to Series C CCPS of ₹10 each

The Company had allotted 38,49,966 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.

The CCPS is being converted to Equity shares in the ratio of 1:1 on 20th May 2024.

## 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.



**21 B. Instrument entirely equity in nature - Preference share capital (cont'd)****Terms and rights attached to Series E CCPS of ₹10 each**

The Company had allotted 1,04,72,385 non-cumulative CCPS of face value ₹10 each fully paid-up at a premium of ₹77.18 per Series E CCPS during the year 2023-24. The Series E 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 E CCPS shall be converted into 1.099924269 equity share of ₹10 each at the end of 19th 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**

| Particulars  | As at<br>31 March 2025 |                            | As at<br>31 March 2024 |                            |
|--|------------------------|----------------------------|------------------------|----------------------------|
|  | No. of shares          | Percent of<br>shareholding | No. of shares          | Percent of<br>shareholding |
| <b>0.001% Series C CCPS of ₹ 10 each</b>                     |                        |                            |                        |                            |
| On Maurilius   | -                      | -                          | 17,20,578              | 29.41%                     |
| DWM  | -                      | -                          | 20,64,694              | 35.29%                     |
| TSTMP  | -                      | -                          | 10,32,347              | 17.65%                     |
| TCTPSF   | -                      | -                          | 10,32,347              | 17.65%                     |
| <b>0.001% Series D CCPS of ₹ 10 each</b>                     |                        |                            |                        |                            |
| AVMS   | 11,47,052              | 43.65%                     | 11,47,052              | 43.65%                     |
| TCTPSF   | 3,70,168               | 14.09%                     | 3,70,168               | 14.09%                     |
| TSTMP  | 3,70,168               | 14.09%                     | 3,70,168               | 14.09%                     |
| DWM  | 7,40,336               | 28.17%                     | 7,40,336               | 28.17%                     |
| <b>0.001% CCPS - Series E of ₹ 10 each</b>                   |                        |                            |                        |                            |
| ESF Holdings II  | 85,68,379              | 81.82%                     | 85,68,379              | 81.82%                     |
| Teachers Insurance and Annuity Association of America (TIAA) | 19,04,006              | 18.18%                     | 19,04,006              | 18.18%                     |

**22 Other equity**

| Particulars   | As at<br>31 March 2025 |  | As at<br>31 March 2024 |                  |
|---|------------------------|--|------------------------|------------------|
|   |                        |  |                        |                  |
| <b>Reserves &amp; Surplus</b>                       |                        |  |                        |                  |
| i. Securities premium                               |                        |  | 36,695.73              | 36,695.73        |
| ii. Other Reserves                                  |                        |  |                        |                  |
| - Share options outstanding account                 |                        |  | 333.00                 | 333.00           |
| - Statutory reserve u/s 45(IC) of the RBI Act, 1934 |                        |  | 746.39                 | 746.39           |
| iii. Deficit in the Statement of Profit and Loss    |                        |  | (34,764.86)            | (12,086.82)      |
|   |                        |  | <u>3,010.26</u>        | <u>25,688.30</u> |

**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.



|  |                                     |                                     |  |
|--|-------------------------------------|-------------------------------------|--|
| <b>23 Interest Income</b>  |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| <b>At Amortised Cost</b>   |                                     |                                     |  |
| Interest on loans  | 8,186.37                            | 15,976.97                           |  |
| Interest on fixed deposits   | 364.58                              | 659.50                              |  |
| Interest on others   | -                                   | 114.76                              |  |
|  | <b>8,550.95</b>                     | <b>16,751.23</b>                    |  |
| <b>24 Net gain on fair value changes</b>                               |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| Net gain on financial instruments at fair value through profit or loss |                                     |                                     |  |
| - Realised   | 284.00                              | 441.62                              |  |
| - Unrealised   | 1.57                                | 13.10                               |  |
|  | <b>285.57</b>                       | <b>454.72</b>                       |  |
| <b>25 Other operating revenue</b>                                      |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| Bad debt recoveries  | 230.13                              | 302.90                              |  |
| Sourcing Fee Income  | 23.15                               | 215.27                              |  |
| Other charges  | 313.63                              | 471.52                              |  |
|  | <b>566.91</b>                       | <b>989.69</b>                       |  |
| <b>26 Other income</b>   |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| Interest on income tax refund  | 71.61                               | 23.96                               |  |
| Profit on sale of asset  | 11.28                               | 0.62                                |  |
| Other miscellaneous income   | 148.05                              | 15.06                               |  |
|  | <b>230.94</b>                       | <b>39.64</b>                        |  |
| <b>27 Finance costs</b>  |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| <b>On Financial Liabilities measured at amortised cost</b>             |                                     |                                     |  |
| Interest expense on debt securities*                                   | 1,633.49                            | 3,043.74                            |  |
| Interest expense on borrowings other than debt securities              | 3,188.47                            | 6,123.59                            |  |
| Interest expense on sub-debt   | 156.61                              | 1.57                                |  |
| Interest expense on lease liabilities                                  | 49.42                               | 79.33                               |  |
| Other borrowing costs  | 492.02                              | 1,348.94                            |  |
|  | <b>5,520.01</b>                     | <b>10,597.17</b>                    |  |
| <b>On Financial Liabilities measured at FVTPL</b>                      |                                     |                                     |  |
| Interest expense on debt securities*                                   | -                                   | 454.77                              |  |
|  | <b>-</b>                            | <b>454.77</b>                       |  |
|  | <b>5,520.01</b>                     | <b>11,051.94</b>                    |  |
| *Refer Footnote to Note No. 15 and 16 to the Balance Sheet             |                                     |                                     |  |
| <b>28 Impairment on financial instruments</b>                          |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| - Impairment Provision   | 2,804.75                            | (160.21)                            |  |
| - Write off  | 467.13                              | 11,382.43                           |  |
|  | <b>3,271.88</b>                     | <b>11,222.22</b>                    |  |
| <b>29 Net loss on sale of portfolio</b>                                |                                     |                                     |  |
| <b>Particulars</b>   | <b>Year ended<br/>31 March 2025</b> | <b>Year ended<br/>31 March 2024</b> |  |
| Net loss on sale of portfolio (Refer note no. 40 A.4)                  | 3,372.02                            | -                                   |  |
|  | <b>3,372.02</b>                     | <b>-</b>                            |  |



| <b>30 Employee benefits expenses</b>   |                             |                             |  |
|--|-----------------------------|-----------------------------|--|
| Particulars  | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |  |
| Salaries and wages   | 3,433.49                    | 3,762.26                    |  |
| Contributions to provident and other funds   | 207.30                      | 237.91                      |  |
| Share based compensation   | -                           | 19.28                       |  |
| Gratuity expenses  | 44.17                       | 61.49                       |  |
| Staff welfare expenses   | 196.12                      | 228.93                      |  |
|  | <b>3,881.08</b>             | <b>4,309.87</b>             |  |
| <b>31 Depreciation and amortisation expense</b>  |                             |                             |  |
| Particulars  | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |  |
| Depreciation on Property, Plant and Equipment  | 66.23                       | 190.37                      |  |
| Amortisation on Intangible Assets  | 344.15                      | 144.50                      |  |
| Depreciation on Right of Use Assets  | 235.61                      | 276.00                      |  |
|  | <b>645.99</b>               | <b>610.87</b>               |  |
| <b>32 Other expenses</b>   |                             |                             |  |
| Particulars  | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |  |
| Rent   | 33.91                       | 56.68                       |  |
| Electricity and water  | 31.16                       | 31.33                       |  |
| Repairs and maintenance - others   | 19.35                       | 16.76                       |  |
| Rates and taxes  | 465.08                      | 138.26                      |  |
| Travelling and conveyance  | 130.90                      | 180.50                      |  |
| Printing and stationery  | 5.80                        | 11.33                       |  |
| Director sitting fees  | 9.25                        | 19.00                       |  |
| Legal and professional fees  | 955.65                      | 569.54                      |  |
| Remuneration to auditors (Refer note 32(a))  | 25.59                       | 22.87                       |  |
| Communication expenses   | 24.56                       | 30.94                       |  |
| Technology expense   | 236.05                      | 332.83                      |  |
| Office expenses  | 71.60                       | 150.13                      |  |
| Advertisement expenses   | 69.96                       | 125.63                      |  |
| Miscellaneous  | 42.07                       | 26.71                       |  |
|  | <b>2,120.93</b>             | <b>1,712.51</b>             |  |
| <b>32(a) Payment to auditors (excluding taxes)</b>   |                             |                             |  |
| Particulars  | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |  |
| - Audit fees (including Limited Review)  | 22.00                       | 20.94                       |  |
| - Tax audit fees   | 2.50                        | 1.50                        |  |
| - Other matters  | -                           | -                           |  |
| - Out of pocket expenses   | 1.09                        | 0.43                        |  |
|  | <b>25.59</b>                | <b>22.87</b>                |  |
| <b>32(b) Corporate social responsibility (CSR)</b>   |                             |                             |  |
| 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 2025 and 31 March 2024. |                             |                             |  |
| <b>33 Earnings per equity share (EPS)</b>  |                             |                             |  |
| Particulars  | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |  |
| Net profit attributable to equity shareholders   | (22,663.07)                 | (11,014.08)                 |  |
| Weighted average number of shares outstanding during the year for computing basic EPS (nos)  | 4,62,14,897                 | 4,11,50,127                 |  |
| Add: Effect of potential shares for conversion of CCPS (nos)   | 1,41,46,554                 | 1,18,13,922                 |  |
| Add: Effect of potential shares for conversion of ESOP (nos)   | 1,09,229                    | 1,10,662                    |  |
| Weighted average number of shares used to compute diluted EPS (nos)  | <b>6,04,70,680</b>          | <b>5,30,74,711</b>          |  |
| <b>Earning per share :</b>   |                             |                             |  |
| Basic  | (49.04)                     | (26.77)                     |  |
| Diluted  | (49.04)                     | (26.77)                     |  |
| Nominal value - per equity share   | 10.00                       | 10.00                       |  |





## 34 Related party disclosures

## a) Description of relationship

| Individuals/ Companies having significant influence  | Nature of relationship                                |
|--|---|
| Aavishkaar Venture Management Services Private Limited ("AVMS")                            | Entity which has significant influence on the Company |
| Intellectual Capital Advisory Services Private Limited ("ICAP")                            | Entity which has significant influence on the Company |
| Arohan Financial Services Limited ("Arohan")   | Associate of AVMS                                     |
| Intellecap Advisory Services Private Limited ("Intellecap")                                | Subsidiary of AVMS                                    |
| Aavishkaar Foundation  | Subsidiary of AVMS                                    |
| Aavishkaar Investment Advisers (ITSC) Private Limited                                      | Subsidiary of AVMS                                    |
| Aavishkaar Advisors Private Limited  | Subsidiary of AVMS                                    |
| Indradhanush Advisors Private Limited  | Subsidiary of Intellecap                              |
| TribeTech Private Limited ("TribeTech")  | Subsidiary of AVMS                                    |
| Intellecap Inc.  | Subsidiary of Intellecap                              |
| Sankalp Consultancy Limited  | Subsidiary of Intellecap                              |
| Aavishkaar Venture Trustees Pvt Ltd ("AVTPL")  | Entity under common control                           |
| Aavishkaar Carbon Platform Private Limited ("Carbon Co") (Incorporated on August 24, 2024) | Entity under common control                           |

| List of Directors   | Executive / Non-Executive |
|---|---------------------------|
| Mr. Nikesh Kumar Sinha  | Managing Director         |
| Mr. Vineet Chandra Rai  | Non-Executive             |
| Mr. Anurag Agrawal  | Non-Executive             |
| Mr. R. K. Mathur (w.e.f 06 Feb 2024)                          | Independent               |
| Mr. Rajat Nag (w.e.f 14 Aug 2024)                             | Independent               |
| Mr. Rakesh Rewari (upto 16 September 2024)                    | Independent               |
| Mr. Tarun Arora (w.e.f 06 Dec 2023)                           | Nominee                   |
| Mr. Franciscus Bernardus Martinus Steppel (w.e.f 14 Aug 2024) | Nominee                   |

## Key Management Personnel

Mr. Nikesh Kumar Sinha, Managing Director and CEO  
Ms. Kiran Agarwal Todi, Chief Financial Officer (Up to 14 Mar 2024)  
Mr. Amit Kothari, Chief Financial Officer (w.e.f 11 Jul 2024)  
Ms. Monika Variava, Company Secretary (Up to 14 Dec 2023)  
Ms. Shristi Padia, Company Secretary (w.e.f. 26 Dec 2023)

## b) The transactions with related parties during the year :

| Nature of transaction                                       | Transactions with     | 31 March 2025 | 31 March 2024 |
|---|-----------------------|---------------|---------------|
| Reimbursement of expenses incurred for the Company          | Intellecap            | 37.84         | 137.00        |
| Advisory Fees in relation to portfolio sale                 | Intellecap            | 328.17        | -             |
| Reimbursement of expenses incurred on behalf of the Company | Arohan                | 1.00          | 0.96          |
| Reimbursement of expenses incurred for the Company          | Arohan                | -             | 6.81          |
| Reimbursement of expenses incurred for the Company          | Aavishkaar Foundation | -             | 2.77          |
| Reimbursement of expenses incurred for the Company          | AVMS                  | 14.60         | 60.05         |
| Term loan availed   | AVMS                  | 1,000.00      | -             |
| Term loan repaid  | AVMS                  | 1,000.00      | -             |
| Interest expenses   | AVMS                  | 39.13         | -             |
| Sitting fees  | Vineet Chandra Rai    | 1.70          | 3.55          |
| Sitting fees  | Anurag Agrawal        | 2.10          | 6.25          |
| Sitting fees  | R. K. Mathur          | 3.75          | -             |
| Sitting fees  | Rajat Nag             | 2.40          | -             |
| Sitting fees  | Rakesh Rewari         | 2.90          | -             |
| Remuneration  | Nikesh Kumar Sinha    | 130.00        | 171.67        |
| Remuneration  | Kiran Agarwal Todi    | -             | 128.15        |
| Remuneration  | Monika Variava        | -             | 24.87         |
| Remuneration  | Amit Kothari          | 93.14         | -             |
| Remuneration  | Shristi Padia         | 33.84         | 9.20          |

## c) Balances with related parties :

| Name of the party                                      | Nature of balances         | 31 March 2025 | 31 March 2024 |
|--|----------------------------|---------------|---------------|
| Arohan Financial Services Limited                      | Other (payable)/receivable | -             | (8.56)        |
| Aavishkaar Venture Management Services Private Limited | Other (payable)/receivable | -             | (5.56)        |

## Note:

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



## 35 Employee benefits

## a) Defined Contribution Plan

The Company makes contribution to the Provident Fund as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Accordingly, the Company has made a contribution of ₹ 207.30 (31 March 2024: ₹ 237.91) and the same has been recognised to Statement of Profit and Loss.

## b) Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment 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:

| Particulars  | 31 March 2025        | 31 March 2024        |
|--|----------------------|----------------------|
| <b>1 The amounts recognised in the Balance Sheet are as follows:</b>                                     |                      |                      |
| Present value of the obligation as at the end of the year  | 192.20               | 223.20               |
| Fair value of plan assets as at the end of the year  | -                    | -                    |
| <b>Net liability recognised in the Balance Sheet</b>   | <b>192.20</b>        | <b>223.20</b>        |
| <b>2 Changes in the present value of defined benefit obligation</b>                                      |                      |                      |
| Defined benefit obligation as at beginning of the year   | 223.20               | 202.77               |
| Service cost   | 28.33                | 46.76                |
| Interest cost  | 15.84                | 14.73                |
| <b>Actuarial losses/(gains)</b>  |                      |                      |
| - change in financial assumptions  | 16.32                | 1.23                 |
| - change in demographic assumptions  | (7.84)               | (4.80)               |
| - experience variance (i.e. actual experiences vs assumptions)   | 6.49                 | 9.50                 |
| Benefits paid  | (90.14)              | (46.98)              |
| <b>Defined benefit obligation as at the end of the year</b>  | <b>192.20</b>        | <b>223.20</b>        |
| <b>3 Assumptions used in the actuarial valuation for gratuity and compensated absences are as under:</b> | <b>31 March 2025</b> | <b>31 March 2024</b> |
| Discount rate  | 6.45%                | 7.10%                |
| Salary escalation  | 8.00%                | 5.00%                |
| Attrition rate   | 50.63%               | 36.00%               |
| Retirement age (years)   | 60                   | 60                   |
| Mortality  | 100% of IALM 2012-14 | 100% of IALM 2012-14 |



## 35 Employee benefits (Contd.)

| 4 Net gratuity cost for the year ended 31 March 2025 and 31 March 2024 comprises of following components: | 31 March 2025 | 31 March 2024 |
|---|---------------|---------------|
| Current service cost  | 28.33         | 46.76         |
| Net interest cost on the net defined benefit liability  | 15.84         | 14.73         |
| <b>Components of defined benefit costs recognized in Statement of Profit and Loss</b>                     | <b>44.17</b>  | <b>61.49</b>  |

| 5 Other comprehensive income  | 31 March 2025 | 31 March 2024 |
|---|---------------|---------------|
| <b>Remeasurements on defined benefit obligations</b>                                |               |               |
| Change in financial assumptions   | 16.32         | 1.23          |
| Change in demographic assumptions   | (7.84)        | (4.80)        |
| Experience variance (i.e. actual experience vs assumptions)                         | 6.49          | 9.50          |
| <b>Components of defined benefit costs recognized in other comprehensive income</b> | <b>14.97</b>  | <b>5.93</b>   |

| 6 Maturity profile of defined benefit obligation         | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| Within the next 12 months (next annual reporting period) | 96.37         | 78.38         |
| After next 12 months                                     | 95.83         | 144.82        |

## 7 Quantitative sensitivity analysis for significant assumptions is as below

| Assumption             | Change in assumption         | 31 March 2025 | 31 March 2024 |
|------------------------|------------------------------|---------------|---------------|
| Discount rate          | Increase by 100 basis points | 188.53        | 217.33        |
|                        | Decrease by 100 basis points | 196.01        | 229.37        |
| Salary escalation rate | Increase by 100 basis points | 195.31        | 228.65        |
|                        | Decrease by 100 basis points | 189.15        | 217.92        |
| Withdrawal rate        | Increase by 100 basis points | 192.21        | 223.22        |
|                        | Decrease by 100 basis points | 192.19        | 223.17        |

## 8 Maturity Profile of Defined benefit obligation

| Expected Cash flows over the next (valued on undiscounted basis) | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| 1 year   | 96.37         | 78.38         |
| 2 to 5 years   | 113.65        | 155.63        |
| 6 to 10 years  | 9.32          | 36.06         |
| More than 10 years   | 0.37          | 5.31          |

## 9 Experience adjustment in defined benefit obligation and plan assets

| Particulars                               | 31 March 2025 | 31 March 2024 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligation                | 192.20        | 306.78        | 202.76        | 119.19        | 71.91         |
| Plan assets                               | -             | -             | -             | -             | -             |
| Surplus/ (deficit)                        | (192.20)      | (306.78)      | (202.76)      | (119.19)      | (71.91)       |
| Experience adjustment on plan assets      | -             | -             | -             | -             | -             |
| Experience adjustment on plan liabilities | 6.49          | 9.50          | 11.68         | 10.76         | 6.22          |

## 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.
- The Indian Parliament approved the Code on Social Security in September 2020 relating to the employee benefits during employment and post employment which would impact the contributions by the Company towards Provident Fund and Gratuity. The said code is made effective prospectively from 3rd May 2023. The Company has carried out an assessment of the same during the financial year, however, there is no material impact of the Code.



**36 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:

**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, had 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 vested over a period of three years and vested options were to be exercised any time during employment. Upon vesting, the employee were required to acquire 1 (one) equity share for every stock option. The fair value at grant date was determined using the Black Scholes model. Consequent to the above, the Company had 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 2025  |                                 | 31 March 2024  |                                 |
|--|----------------|---------------------------------|----------------|---------------------------------|
|  | No. of options | Weighted average exercise price | No. of options | Weighted average exercise price |
| Options outstanding at the beginning   | -              | -                               | 16,70,917      | 85.07                           |
| Granted during the year under Scheme 1 | -              | -                               | -              | -                               |
| Granted during the year under Scheme 1 | -              | -                               | -              | -                               |
| Lapsed during the year                 | -              | -                               | 2,94,950       | 87.18                           |
| Exercised during the year              | -              | -                               | -              | -                               |
| Options converted to ESOP Plan 2023*   | -              | -                               | 13,75,967      | 84.37                           |
| Options outstanding at year end        | -              | -                               | -              | -                               |
| Options exercisable at year end        | -              | -                               | -              | -                               |

\*The Scheme 1 and 2 have been replaced with ESOP Scheme 3, details of which have been mentioned below.

**b) Employee Stock Option Plan 2021**

The Company, in its board meeting dated 10 March 2021, had 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 had 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:

|                                      | 31 March 2025  |                                 | 31 March 2024  |                                 |
|--------------------------------------|----------------|---------------------------------|----------------|---------------------------------|
|                                      | No. of options | Weighted average exercise price | No. of options | Weighted average exercise price |
| Options outstanding at the beginning | -              | -                               | 2,83,824.00    | 115.90                          |
| Number of options granted            | -              | -                               | -              | -                               |
| Exercise price (₹)                   | -              | -                               | -              | -                               |
| Option exercised during the year     | -              | -                               | -              | -                               |
| Option lapsed during the year        | -              | -                               | 63,364.00      | 115.90                          |
| Options converted to ESOP Plan 2023* | -              | -                               | 2,20,460.00    | 115.90                          |
| Options outstanding at year end      | -              | -                               | -              | -                               |
| Options exercisable at year end      | -              | -                               | -              | -                               |

\*The Scheme 1 and 2 have been replaced with ESOP Scheme 3, details of which have been mentioned below.

**c) Ashv Finance ESOP - 2023**

The Company in its Board Meeting held on 02 Nov 2023 and the Shareholders in its Extra-Ordinary General Meeting held on 30 Nov 2023 has approved the Ashv Finance - Employee Stock Option Plan 2023 ("Ashv Finance ESOP - 2023") (Scheme 3). This ESOP Scheme is in force which supersedes the previous Schemes i.e., Intellegrow Employee Stock Option Plan 2018" (Intellegrow ESOP 2018), ESOP Scheme 1 and Ashv Finance - Employee Stock Option 2021, ESOP Scheme 2. 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. Consequent to the above, the Company has granted stock options to employees of the Company, details of which are disclosed in the table below:





## c) Ashv Finance ESOP - 2023 (cont'd)

Option activity during the year is summarised below:

|                                      | 31 March 2025                    |                  | 31 March 2024            |                  |
|--------------------------------------|----------------------------------|------------------|--------------------------|------------------|
|                                      | No. of options                   | Weighted average | No. of options           | Weighted average |
| Options outstanding at the beginning | 14,89,261                        | 88.83            | -                        | -                |
| Number of options granted            | 2,00,000                         | 79.26            | 15,96,427                | 88.72            |
| Exercise price (₹)                   | ₹ 10 & 79.26 &<br>87.18 & 115.90 | -                | ₹ 10 & 87.18 &<br>115.90 | -                |
| Option exercised during the year     | -                                | -                | -                        | -                |
| Option lapsed during the year        | 2,19,956                         | 87.18            | 1,07,166                 | 87.18            |
| Options outstanding at year end      | 14,69,305                        | 87.77            | 14,89,261                | 88.83            |
| Options exercisable at year end      | 11,28,274                        | 85.93            | 11,14,397                | 85.93            |

## 36 Share-based payment (cont'd)

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

|                          | 31 March 2025         | 31 March 2024         |
|--------------------------|-----------------------|-----------------------|
| Expected life (in years) | 2.50 - 4.50           | 2.50 - 4.50           |
| Volatility (%)           | 16.14% to 23.01%      | 16.14% to 23.01%      |
| Risk free rate (%)       | 5.24% to 6.91%        | 5.24% to 6.91%        |
| Exercise price (₹)       | ₹ 10 & 87.18 & 115.90 | ₹ 10 & 87.18 & 115.90 |
| Dividend yield           | 0%                    | 0%                    |
| Option fair value        | 9.09 - 79.98          | 9.09 - 79.98          |

Note : The Company has not accrued further costs on outstanding ESOPs on account of deterioration of the enterprise value which has implications on the fair value of stock options granted to the employees.

## 37 Income tax expense

|   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---|-----------------------------|-----------------------------|
| a) Income tax expense recognised in Statement of profit and loss                    |                             |                             |
| Current tax expense   | -                           | -                           |
| Deferred tax charge / (credit)  | 1,473.09                    | 141.42                      |
| Taxes expense of earlier years (reversal)   | (39.72)                     | 0.14                        |
|   | <u>1,433.37</u>             | <u>141.56</u>               |
| 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/(Loss) before tax  | (21,229.70)                 | (10,872.52)                 |
| Enacted tax rates   | 25.17%                      | 25.17%                      |
| Income tax expense calculated on corporate tax rate                                 | (5,343.51)                  | (2,736.61)                  |
| Unrealised gains on mutual fund not taxable   | -                           | -                           |
| Expense disallowed under the provisions of Income tax Act, 1961                     | 252.72                      | 214.01                      |
| Impact on deferred tax on account of change in tax rates                            | -                           | -                           |
| Deferred tax assets recognised  |                             |                             |
| Impairment loss allowances on loans   | -                           | -                           |
| On carried forward losses   | -                           | 141.42                      |
| Disallowance u/s 43B and other provisions   | -                           | 122.74                      |
| On right of use asset   | -                           | -                           |
| On property, plant and equipment  | -                           | -                           |
| On gain on derecognition of assigned receivables                                    | -                           | -                           |
| On adjustments for effective interest rate accounting                               | -                           | -                           |
| Other adjustments   | -                           | -                           |
| Deferred tax asset not recognised on current year timing differences and tax losses | 6,563.88                    | 2,399.86                    |
| Income tax in respect of earlier years  | (39.72)                     | 0.14                        |
| At the effective income tax rate of 25.17% (31 March 2024: 25.17%)                  | <u>1,433.37</u>             | <u>141.56</u>               |

## d) Movement in Deferred Tax

Movement in deferred tax balances have been recognised through the Statement of Profit & Loss and no amounts have been recognised through Other Comprehensive Income.



**38 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.

| Gearing Ratio                           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Debt securities                         | -                      | 19,946.73              |
| Borrowings (other than debt securities) | 2,782.36               | 34,339.47              |
| Subordinated Liabilities                | 993.28                 | 1,001.57               |
| <b>Total debt</b>                       | <b>3,775.64</b>        | <b>55,287.77</b>       |
| <br>Total equity                        | <br>9,020.30           | <br>31,698.34          |
| <br>Net debt to equity ratio            | <br>0.42               | <br>1.74               |

**39 Financial instruments and fair value disclosures**

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

| Particulars                             | Fair value<br>through profit<br>and loss | Fair value<br>through<br>OCI | Amortised cost   | Total            | Fair value       |
|---|--|------------------------------|------------------|------------------|------------------|
| <b>As at 31 March 2025</b>              |  |                              |                  |                  |                  |
| <b>Financial Assets</b>                 |  |                              |                  |                  |                  |
| Cash and cash equivalents               | -  | -                            | 1,485.34         | 1,485.34         | 1,485.34         |
| Bank balances other than above          | -  | -                            | 2,773.97         | 2,773.97         | 2,773.97         |
| Loans                                   | -  | -                            | 4,642.03         | 4,642.03         | 4,642.03         |
| Investments                             | 7,368.46                                 | -                            | -                | 7,368.46         | 7,368.46         |
| Other financial assets                  | -  | -                            | 570.66           | 570.66           | 570.66           |
| <b>Total financial assets</b>           | <b>7,368.46</b>                          | <b>-</b>                     | <b>9,472.00</b>  | <b>16,840.46</b> | <b>16,840.46</b> |
| <br><b>Financial Liabilities</b>        |  |                              |                  |                  |                  |
| Trade payables                          | -  | -                            | 63.66            | 63.66            | 63.66            |
| Borrowings (other than debt securities) | -  | -                            | 2,782.36         | 2,782.36         | 2,782.36         |
| Subordinated Liabilities                | -  | -                            | 993.28           | 993.28           | 993.28           |
| Other financial liabilities             | -  | -                            | 5,739.61         | 5,739.61         | 5,739.61         |
| <b>Total financial liabilities</b>      | <b>-</b>                                 | <b>-</b>                     | <b>9,578.91</b>  | <b>9,578.91</b>  | <b>9,578.91</b>  |
| <br><b>As at 31 March 2024</b>          |  |                              |                  |                  |                  |
| <b>Financial Assets</b>                 |  |                              |                  |                  |                  |
| Cash and cash equivalents               | -  | -                            | 9,497.68         | 9,497.68         | 9,497.68         |
| Bank balances other than above          | -  | -                            | 7,231.93         | 7,231.93         | 7,231.93         |
| Loans                                   | -  | -                            | 55,900.28        | 55,900.28        | 55,900.28        |
| Other financial assets                  | -  | -                            | 962.44           | 962.44           | 962.44           |
| <b>Total financial assets</b>           | <b>-</b>                                 | <b>-</b>                     | <b>73,592.33</b> | <b>73,592.33</b> | <b>73,592.33</b> |
| <br><b>Financial Liabilities</b>        |  |                              |                  |                  |                  |
| Trade payables                          | -  | -                            | 42.58            | 42.58            | 42.58            |
| Debt securities                         | 2,996.55                                 | -                            | 16,950.18        | 19,946.73        | 19,946.73        |
| Borrowings (other than debt securities) | -  | -                            | 34,339.47        | 34,339.47        | 34,339.47        |
| Subordinated Liabilities                | -  | -                            | 1,001.57         | 1,001.57         | 1,001.57         |
| Other financial liabilities             | -  | -                            | 3,658.49         | 3,658.49         | 3,658.49         |
| <b>Total financial liabilities</b>      | <b>2,996.55</b>                          | <b>-</b>                     | <b>55,992.29</b> | <b>58,988.84</b> | <b>58,988.84</b> |



**39. Financial instruments and fair value disclosures (cont'd)**

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.

**b) Transfer of financial assets****i) Transferred of financial assets that are not derecognised in their entirety****Securitisation**

The Company has securitised certain loans, however the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

| Particulars  | As at         | As at         |
|--|---------------|---------------|
|  | 31 March 2025 | 31 March 2024 |
| Carrying amount of transferred assets measured at amortised cost | 3,432.34      | 1,180.58      |
| Carrying amount of associated liabilities                        | 1,297.24      | 463.43        |
| Fair value of assets   | 3,432.34      | 1,180.58      |
| Fair value of associated liabilities                             | 1,297.24      | 463.43        |
| Net position at Fair Value                                       | 2,135.10      | 717.15        |

**ii) Transfer of financial assets that are derecognized in their entirety**

The Company has not transferred any assets that are derecognized in their entirety where the Company continues to have continuing



**40 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               |





## 40 Financial risk management (Contd.)

## A) Credit risk (Contd.)

## a) Credit risk management (Contd.)

## Financial assets that expose the entity to credit risk\*

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| <b>Low credit risk on financial reporting date</b> |                        |                        |
| Cash and cash equivalents                          | 1,485.34               | 9,497.68               |
| Bank balances other than above                     | 2,773.97               | 7,231.93               |
| Loans <sup>#</sup>                                 | 3,917.63               | 52,712.43              |
| Other financial assets                             | 570.66                 | 962.44                 |
| <b>Moderate credit risk</b>                        |                        |                        |
| Loans <sup>#</sup>                                 | 155.27                 | 1,557.52               |
| <b>High credit risk</b>                            |                        |                        |
| Loans <sup>#</sup>                                 | 520.62                 | 2,329.62               |

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

# The above amounts are excluding accrued interest

The total amount overdue for more than 90 days as at 31 March 2025 is ₹ 687.98 (including accrued interest) for 812 cases (31 March 2024 ₹ 2,589.32, 489 cases).

## Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only considering 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:

| Particulars                    | Estimated gross<br>carrying amount<br>at default | Expected<br>probability of<br>default | Expected credit<br>losses | Carrying amount<br>net of<br>impairment<br>provision |
|--------------------------------|--|---------------------------------------|---------------------------|--|
| <b>31 March 2025</b>           |  |                                       |                           |  |
| Cash and cash equivalents      | 1,485.34   | 0.00%                                 | -                         | 1,485.34   |
| Bank balances other than above | 2,773.97   | 0.00%                                 | -                         | 2,773.97   |
| Other financial assets         | 570.66   | 0.00%                                 | -                         | 570.66   |
| <b>31 March 2024</b>           |  |                                       |                           |  |
| Cash and cash equivalents      | 9,497.68   | 0.00%                                 | -                         | 9,497.68   |
| Bank balances other than above | 7,231.93   | 0.00%                                 | -                         | 7,231.93   |
| Other financial assets         | 962.44   | 0.00%                                 | -                         | 962.44   |



**40 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 unlikelihood 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).

**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.



## 40 Financial risk management (cont'd)

## A) Credit risk (cont'd)

## 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 and current market situation.

## A.3 Credit risk exposure

| Particulars                  | ECL Staging      |                 |                 |
|------------------------------|------------------|-----------------|-----------------|
|                              | Stage 1          | Stage 2         | Stage 3         |
| <b>31 March 2025</b>         |                  |                 |                 |
| Low credit risk              | 3,917.63         | -               | -               |
| Moderate credit risk         | -                | 155.27          | -               |
| High credit risk             | -                | -               | 520.62          |
| <b>Gross carrying amount</b> | <b>3,917.63</b>  | <b>155.27</b>   | <b>520.62</b>   |
| Loss allowance               | 70.72            | 20.53           | 520.62          |
| <b>Carrying amount</b>       | <b>3,846.91</b>  | <b>134.74</b>   | <b>-</b>        |
| <b>31 March 2024</b>         |                  |                 |                 |
| Low credit risk              | 53,077.83        | -               | -               |
| Moderate credit risk         | -                | 1,557.52        | -               |
| High credit risk             | -                | -               | 2,329.62        |
| <b>Gross carrying amount</b> | <b>53,077.83</b> | <b>1,557.52</b> | <b>2,329.62</b> |
| Loss allowance               | 1,068.38         | 244.41          | 1,262.81        |
| <b>Carrying amount</b>       | <b>52,009.45</b> | <b>1,313.11</b> | <b>1,066.81</b> |

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.

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

| Provision for Impairment                        | Stage 1         | Stage 2       | Stage 3         | Total           |
|---|-----------------|---------------|-----------------|-----------------|
|   | 12 months ECL   | Lifetime ECL  | Lifetime ECL    |                 |
| <b>Loans at amortised cost</b>                  |                 |               |                 |                 |
| <b>Balance as at 31 March 2023</b>              | <b>572.45</b>   | <b>101.13</b> | <b>2,022.21</b> | <b>2,695.78</b> |
| New financial assets originated or purchased*   | 536.88          | 77.98         | 217.61          | 832.47          |
| Transfer to Stage 1                             | 9.59            | (0.65)        | (8.94)          | -               |
| Transfer to Stage 2                             | (14.32)         | 14.32         | -               | -               |
| Transfer to Stage 3                             | (27.14)         | (3.35)        | 30.49           | -               |
| Movement in credit risk on existing loan assets | 146.99          | 149.88        | 1,012.08        | 1,308.96        |
| Financial assets that have been derecognised    | (146.66)        | (60.65)       | (159.69)        | (367.00)        |
| Write offs                                      | (9.41)          | (34.25)       | (1,850.94)      | (1,894.61)      |
| <b>Balance as at 31 March 2024</b>              | <b>1,068.38</b> | <b>244.41</b> | <b>1,262.81</b> | <b>2,575.61</b> |
| New financial assets originated or purchased*   | 18.87           | 5.18          | 19.94           | 43.99           |
| Transfer to Stage 1                             | 1.35            | (1.03)        | (0.32)          | -               |
| Transfer to Stage 2                             | (10.66)         | 10.66         | -               | -               |
| Transfer to Stage 3                             | (25.35)         | (4.29)        | 29.63           | (0.01)          |
| Movement in credit risk on existing loan assets | (140.06)        | 4.11          | 464.76          | 328.81          |
| Financial assets that have been derecognised    | (831.44)        | (227.43)      | (1,177.52)      | (2,236.39)      |
| Write offs                                      | (10.37)         | (11.08)       | (78.68)         | (100.13)        |
| <b>Balance as at 31 March 2025</b>              | <b>70.72</b>    | <b>20.53</b>  | <b>520.62</b>   | <b>611.88</b>   |

\*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 management has reviewed the accounts classified as 'Stage-3' and has created 100% provision on such accounts. During the year ended March 31, 2025 the outstanding of such accounts amounted to Rs. 520.62.

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



## 40 Financial risk management (cont'd)

## A) Credit risk (cont'd)

## A.4 Loss allowance (cont'd)

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:

| Gross Carrying Amount                                    | Stage 1          | Stage 2         | Stage 3         | Total            |
|--|------------------|-----------------|-----------------|------------------|
| <b>Loans at amortised cost</b>                           |                  |                 |                 |                  |
| <b>Balance as at 31 March 2023</b>                       | <b>74,322.09</b> | <b>1,299.56</b> | <b>3,770.28</b> | <b>79,391.93</b> |
| New financial assets originated or purchased*            | 30,860.71        | 471.84          | 392.72          | 31,725.27        |
| Transfer to Stage 1                                      | 38.14            | (6.78)          | (31.36)         | -                |
| Transfer to Stage 2                                      | (1,935.07)       | 1,935.07        | -               | -                |
| Transfer to Stage 3                                      | (2,642.02)       | (61.95)         | 2,703.97        | -                |
| Financial assets that have been derecognised/ repaid     | (43,215.59)      | (1,072.43)      | (1,059.00)      | (45,347.02)      |
| Write offs   | (4,350.43)       | (1,007.79)      | (3,447.00)      | (8,805.22)       |
| <b>Balance as at 31 March 2024</b>                       | <b>53,077.83</b> | <b>1,557.52</b> | <b>2,329.61</b> | <b>56,964.96</b> |
| New financial assets originated or purchased*            | 929.40           | 25.92           | 29.24           | 984.56           |
| Transfer to Stage 1                                      | 2.57             | (1.97)          | (0.60)          | -                |
| Transfer to Stage 2                                      | (237.89)         | 237.89          | -               | -                |
| Transfer to Stage 3                                      | (626.83)         | (43.15)         | 669.98          | -                |
| Financial assets that have been repaid                   | (12,230.36)      | (186.81)        | (247.73)        | (12,664.90)      |
| Financial assets that have been derecognised due to sale | (36,732.94)      | (1,355.18)      | (2,119.28)      | (40,207.40)      |
| Write offs   | (264.15)         | (78.95)         | (140.60)        | (483.70)         |
| <b>Balance as at 31 March 2025</b>                       | <b>3,917.63</b>  | <b>155.28</b>   | <b>520.63</b>   | <b>4,593.52</b>  |

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

\*\*During the current year, the Company took prior in principle approval from its board of directors in its meeting held on December 18, 2024 to exit the unsecured lending business through direct selling agents in the manner currently being carried out and accordingly assess the opportunity to sell or transfer or assignment the loan assets of the Company. The shareholder's approval was also obtained for the sale / transfer of loan assets in its meeting held on December 30, 2024. Based on assessment performed by the management and proposed transaction details furnished, the board of directors gave their approval on the sale transaction on December 31, 2024 and sale was executed for sale consideration of INR 31,965/- lakhs on the same date and recognised loss of Rs. 3,372.02 lakhs in the profit and loss account on account of

## A.5 Concentration of credit risk

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

| Particulars                      | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------|------------------------|------------------------|
| Gross carrying amount of loans   | 4,593.52               | 56,599.57              |
| <b>Concentration by industry</b> |                        |                        |
| Loans to NBFCs/MFIs              | 4.03                   | 94.57                  |
| Others                           | 4,589.49               | 56,505.00              |
|                                  | <b>4,593.52</b>        | <b>56,599.57</b>       |

Note: above amount are excluding accrued interest and FCI.

## 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 2025 was ₹ 467.13 (31 March 2024 ₹ 11,382.43).

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.

## 40 Financial risk management (cont'd)

## 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 2025 is Nil (31 March 2024: Nil).





## 40 Financial risk management (cont'd)

## 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(excl accrued interest), 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 2025                                 | Less than 1 year | 1-3 year        | 3-5 year      | More than 5 years | Total           |
|---|------------------|-----------------|---------------|-------------------|-----------------|
| Debt securities                               | -                | -               | -             | -                 | -               |
| Borrowings                                    | 1,489.54         | 1,300.97        | -             | -                 | 2,790.51        |
| Subordinated Liabilities                      | -                | -               | 500.00        | 500.00            | 1,000.00        |
| Trade payables                                | 63.66            | -               | -             | -                 | 63.66           |
| Other financial liabilities at amortised cost | 5,739.61         | -               | -             | -                 | 5,739.61        |
| <b>Total</b>                                  | <b>7,292.81</b>  | <b>1,300.97</b> | <b>500.00</b> | <b>500.00</b>     | <b>9,593.78</b> |

| 31 March 2024                                 | Less than 1 year | 1-3 year         | 3-5 year        | More than 5 years | Total            |
|---|------------------|------------------|-----------------|-------------------|------------------|
| Debt securities                               | 12,657.86        | 4,604.17         | 1,500.00        | -                 | 18,762.03        |
| Borrowings                                    | 21,132.60        | 13,147.86        | 555.34          | 500.00            | 35,335.80        |
| Subordinated Liabilities                      | -                | -                | 500.00          | 500.00            | 1,000.00         |
| Trade payables                                | 42.58            | -                | -               | -                 | 42.58            |
| Other financial liabilities at amortised cost | 3,203.81         | 426.60           | 11.03           | 17.06             | 3,658.49         |
| <b>Total</b>                                  | <b>37,036.85</b> | <b>18,178.63</b> | <b>2,566.37</b> | <b>1,017.06</b>   | <b>58,798.90</b> |

## C) Change in Liabilities arising from Financial Activities

| Particulars                 | As at 1st April 2024 | Cash Flows         | Others*         | As at 31st March 2025 |
|-----------------------------|----------------------|--------------------|-----------------|-----------------------|
| Debt securities             | 19,946.73            | (18,761.03)        | (1,185.70)      | (0.00)                |
| Borrowings                  | 34,339.47            | (31,546.40)        | (10.71)         | 2,782.36              |
| Subordinated Liabilities    | 1,001.57             | -                  | (8.29)          | 993.28                |
| Payables                    | 42.58                | 21.08              | -               | 63.66                 |
| Other Financial Liabilities | 3,658.49             | (321.08)           | 2,402.20        | 5,739.61              |
| <b>Total</b>                | <b>58,988.84</b>     | <b>(50,607.43)</b> | <b>1,197.50</b> | <b>9,578.91</b>       |

| Particulars                 | As at 1st April 2023 | Cash Flows         | Others *      | As at 31st March 2024 |
|-----------------------------|----------------------|--------------------|---------------|-----------------------|
| Debt securities             | 24,029.66            | (4,491.85)         | 408.92        | 19,946.73             |
| Borrowings                  | 51,644.38            | (17,463.15)        | 158.24        | 34,339.47             |
| Subordinated Liabilities    | -                    | 1,001.57           | -             | 1,001.57              |
| Payables                    | 199.43               | (156.85)           | -             | 42.58                 |
| Other Financial Liabilities | 4,280.96             | (331.46)           | (291.01)      | 3,658.49              |
| <b>Total</b>                | <b>80,154.43</b>     | <b>(21,441.74)</b> | <b>276.15</b> | <b>58,988.84</b>      |

\* Includes accrued interest and adjustments for effective interest rate on debt securities, borrowings and lease liabilities.



## 40 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:

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Variable rate borrowing  | -                      | 28,704.18              |
| Fixed rate borrowing   | 3,775.64               | 26,583.59              |
| <b>Total borrowings (including debt securities &amp; securitization)</b> | <b>3,775.64</b>        | <b>55,287.77</b>       |

## Sensitivity

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

| Particulars                                   | 31 March 2025 | 31 March 2024 |
|---|---------------|---------------|
| Interest rate sensitivity*                    |               |               |
| Interest rates - increase by 100 basis points | -             | 287.04        |
| Interest rates - decrease by 100 basis points | -             | (287.04)      |

\* 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.



**41 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 recognised the lease payments of ₹ 7.68 as an operating expense in the current year (31 March 2024: ₹ 48.54).

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):

| Particulars                                    | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| Within one year                                | -             | 2.23          |
| Later than one year but not later than 5 years | -             | 5.76          |
| Later than 5 years                             | -             | -             |

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

| Particulars         | Office premises | Total    |
|---------------------|-----------------|----------|
| As at 31 March 2023 | 333.03          | 333.03   |
| Additions           | 445.02          | 445.02   |
| Deletion            | -               | -        |
| Depreciation        | (276.00)        | (276.00) |
| As at 31 March 2024 | 502.05          | 502.05   |
| Additions           | 94.07           | 94.07    |
| Deletion            | (227.02)        | (227.02) |
| Depreciation        | (235.61)        | (235.61) |
| As at 31 March 2025 | 133.49          | 133.49   |

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

| Particulars           | Buildings | Total    |
|-----------------------|-----------|----------|
| As at 31 March 2023   | 364.03    | 364.03   |
| Additions             | 445.02    | 445.02   |
| Deletion              | -         | -        |
| Accretion of interest | 79.33     | 79.33    |
| Payment               | (331.46)  | (331.46) |
| As at 31 March 2024   | 556.92    | 556.92   |
| Additions             | 89.56     | 89.56    |
| Deletion              | (256.73)  | (256.73) |
| Accretion of interest | 49.42     | 49.42    |
| Payment               | (286.86)  | (286.86) |
| As at 31 March 2025   | 152.31    | 152.31   |

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

| Particulars                                       | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Not later than one year                           | 160.08                 | 314.56                 |
| Later than one year and not later than five years | -                      | 309.50                 |
| Later than five years                             | -                      | 14.58                  |
|   | 160.08                 | 638.64                 |

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

| Particulars   | For the year ended<br>31 March 2025 | 31 March 2024 |
|---|-------------------------------------|---------------|
| Amount recognised in Statement of profit and loss account   |                                     |               |
| Depreciation on right of use assets                         | 235.61                              | 276.00        |
| Interest on lease liabilities                               | 49.42                               | 79.33         |
| Expenses relating to short term leases and low value assets | 33.91                               | 56.68         |
| Amount recognised in Statement of Cashflow                  |                                     |               |
| Total cash outflow for leases                               | 286.86                              | 331.46        |

**42 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.

**43 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 2025 is ₹ Nil (31 March 2024: ₹ 640.91). The amount of First Loss Default Guarantee given is ₹ Nil (31 March 2024: ₹ 887.87).



## 44 Classification and provisions for loan portfolio owned

| Particulars                   | 31 March 2025 | 31 March 2024 |
|-------------------------------|---------------|---------------|
| <b>Asset classification</b>   |               |               |
| <b>Loan outstanding</b>       |               |               |
| Standard assets*              | 4,072.90      | 54,635.36     |
| Substandard assets*           | 520.62        | 2,329.62      |
| Doubtful assets               | -             | -             |
| <b>Less: Provision</b>        |               |               |
| Standard assets*              | 91.25         | 1,312.79      |
| Substandard assets*           | 520.62        | 1,262.81      |
| Doubtful assets               | -             | -             |
| <b>Loan outstanding (net)</b> |               |               |
| Standard assets*              | 3,981.65      | 53,322.57     |
| Substandard assets*           | -             | 1,066.81      |
| Doubtful assets               | -             | -             |

\* above amounts are excluding accrued interest, ECL on accrued interest.

## 45 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 1 September 2016, (Updated as on August 29, 2023) issued by the RBI.

| Liabilities side *  | 31 March 2025      |                | 31 March 2024      |                |
|---|--------------------|----------------|--------------------|----------------|
|   | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| <b>a. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b> |                    |                |                    |                |
| (a) Debentures  |                    |                |                    |                |
| Secured   | -                  | -              | 19,946.73          | -              |
| Unsecured   | -                  | -              | -                  | -              |
| (b) Deferred credits  | -                  | -              | -                  | -              |
| (c) Term loans (secured)  | 2,782.36           | -              | 34,339.47          | -              |
| (d) Inter-corporate loans and borrowing   | -                  | -              | -                  | -              |
| (e) Commercial paper  | -                  | -              | -                  | -              |
| (f) Subordinated liabilities  | 993.28             | -              | 1,001.57           | -              |
| (g) Other loans from financial institutions (Secured)   | -                  | -              | -                  | -              |
|   | <b>3,775.64</b>    | <b>-</b>       | <b>55,287.77</b>   | <b>-</b>       |

\*Refer Footnote to Note No. 15 and 16 to the Balance Sheet

| Assets side:   | 31 March 2025   | 31 March 2024    |
|--|-----------------|------------------|
| <b>b. Break-up of loans and advances:</b>  |                 |                  |
| (a) Secured#   | 170.62          | 11,888.83        |
| (b) Unsecured#   | 4,422.90        | 44,710.74        |
|  | <b>4,593.52</b> | <b>56,599.57</b> |
| <b>c. Break up of leased assets and stock on hire and other assets counting towards AFC activities</b> |                 |                  |
| (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



## 45 Additional disclosure pursuant to the Master Direction (Contd.)

| Assets side:   | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| <b>c. Break up of leased assets and stock on hire and other assets counting towards AFC activities</b> |               |               |
| (ii) Other loans counting towards AFC activities   |               |               |
| (a) Loans where assets have been repossessed   | -             | -             |
| (b) Loans other than (a) above   | -             | -             |
| <b>d. Break-up of investments :</b>  |               |               |
| <b>Current investments</b>   |               |               |
| <b>1. Quoted</b>   |               |               |
| (i) Shares :   |               |               |
| (a) Equity   | -             | -             |
| (b) Preference   | -             | -             |
| (ii) Debentures and Bonds  | -             | -             |
| (iii) Mutual Funds   | 5,235.62      | -             |
| (iv) Government Securities   | -             | -             |
| (v) Others (Security Receipts)   | -             | -             |
| <b>2. Unquoted</b>   |               |               |
| (i) Shares :   |               |               |
| (a) Equity   | -             | -             |
| (b) Preference   | -             | -             |
| (ii) Debentures and Bonds  | -             | -             |
| (iii) nos. of mutual funds   | -             | -             |
| (iv) Government Securities   | -             | -             |
| (v) Others (Security Receipts)   | 2,133         | -             |
| <b>Long term investments</b>   |               |               |
| <b>1. Quoted</b>   |               |               |
| (i) Shares :   |               |               |
| (a) Equity   | -             | -             |
| (b) Preference   | -             | -             |
| (ii) Debentures and Bonds  | -             | -             |
| (iii) nos. of mutual funds   | -             | -             |
| (iv) Government Securities   | -             | -             |
| (v) Others   | -             | -             |
| <b>2. Unquoted</b>   |               |               |
| (i) Shares :   |               |               |
| (a) Equity   | -             | -             |
| (b) Preference   | -             | -             |
| (ii) Debentures and Bonds  | -             | -             |
| (iii) nos. 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  |           |          |
|--------------------------------------|---------|-----------|----------|
| For 31 March 2025                    | Secured | Unsecured | Total    |
| <b>1 Related Parties</b>             |         |           |          |
| (a) Subsidiaries                     | -       | -         | -        |
| (b) Companies in the same group*     | -       | -         | -        |
| (c) Other related parties            | -       | -         | -        |
| <b>2 Other than related parties*</b> | 170.62  | 4,422.90  | 4,593.52 |
|                                      | 170.62  | 4,422.90  | 4,593.52 |





## 45 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 2024                |           |           |           |
|----------------------------------|-----------|-----------|-----------|
|                                  | Secured   | Unsecured | Total     |
| 1 Related Parties                |           |           |           |
| (a) Subsidiaries                 | -         | -         | -         |
| (b) Companies in the same group* | -         | -         | -         |
| (c) Other related parties        | -         | -         | -         |
| 2 Other than related parties*    | 11,888.83 | 44,710.74 | 56,599.57 |
|                                  | 11,888.83 | 44,710.74 | 56,599.57 |

\* 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 2025                               | 31 March 2024 | 31 March 2025                  | 31 March 2024 |
| 1 Related Parties               |   |               |                                |               |
| (a) Subsidiaries                | -   | -             | -                              | -             |
| (b) Companies in the same group | -   | -             | -                              | -             |
| (c) Other related parties       | -   | -             | -                              | -             |
| 2 Other than related parties    | 7,368.46                                    | -             | 7,368.46                       | -             |

## g. Other information

| Particulars                                  | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| (i) Gross Non-Performing Assets              |               |               |
| (a) Related parties                          | -             | -             |
| (b) Other than related parties*              | 520.62        | 2,329.62      |
| (ii) Net Non-Performing Assets               |               |               |
| (a) Related parties                          | -             | -             |
| (b) Other than related parties*              | -             | 1,066.81      |
| iii) Assets acquired in satisfaction of debt | -             | -             |

\* above amounts are excluding accrued interest, bCL on accrued interest.

## h. (i). Capital Risk Asset Ratio

| Sl.No. | Items  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------|--|------------------------|------------------------|
| (a)    | Capital risk Asset Ratio (%)                       | 59.52%                 | 28.17%                 |
| (b)    | Capital risk Asset Ratio (%) - Tier I Capital (%)  | 56.20%                 | 26.73%                 |
| (c)    | Capital risk Asset Ratio (%) - Tier II Capital (%) | 3.32%                  | 1.44%                  |

## (ii) Derivatives:

The Company has no transaction/exposure in derivatives in the current and previous year.

## (iii) Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous years. Loans secured by way of property have not been considered as exposure to real estate.

## (iv) Maturity pattern of certain items of assets and liabilities

## Maturity pattern of certain Assets and Liabilities as on 31 March 2025

| Maturity Bucket                   | Assets    |             | Liabilities |
|-----------------------------------|-----------|-------------|-------------|
|                                   | Advances* | Investments | Borrowings* |
| 1 day to 7 days                   | 101.60    | -           | -           |
| 7 days to 14 days                 | 0.37      | -           | -           |
| 15 days to 30/31 days (one month) | 1.20      | 5,235.62    | -           |
| Over one month to 2 months        | 21.70     | -           | -           |
| Over 2 months upto 3 months       | 37.95     | -           | 1,489.54    |
| Over 3 months to 6 months         | 307.28    | -           | -           |
| Over 6 months to 1 year           | 832.11    | -           | -           |
| Over 1 year to 3 years            | 3,274.42  | 2,132.84    | 1,300.97    |
| Over 3 years to 5 years           | 16.88     | -           | 500.00      |
| Over 5 years                      | -         | -           | 500.00      |
| Total                             | 4,593.51  | 7,368.46    | 3,790.51    |

\* amounts excludes interest accrued



## 45 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 2024

| Maturity Bucket                   | Assets           |             | Liabilities      |
|-----------------------------------|------------------|-------------|------------------|
|                                   | Advances*        | Investments | Borrowings*      |
| 1 day to 7 days                   | 2,493.95         | -           | 619.64           |
| 7 days to 14 days                 | 15.47            | -           | 386.72           |
| 15 days to 30/31 days (one month) | 28.25            | -           | 1,348.86         |
| Over one month to 2 months        | 2,338.43         | -           | 4,680.54         |
| Over 2 months upto 3 months       | 2,317.64         | -           | 3,251.76         |
| Over 3 months to 6 months         | 7,039.23         | -           | 8,410.47         |
| Over 6 months to 1 year           | 13,171.83        | -           | 14,882.52        |
| Over 1 year to 3 years            | 26,050.71        | -           | 17,664.52        |
| Over 3 years to 5 years           | 2,977.49         | -           | 2,042.42         |
| Over 5 years                      | 166.57           | -           | 499.48           |
| <b>Total</b>                      | <b>56,599.57</b> | <b>-</b>    | <b>53,816.93</b> |

\* amounts excludes interest accrued

## (v) Disclosures relating to securitization:

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
|  | No / Amount            | No / Amount            |
| 1. No of SPEs holding assets for securitisation transactions originated by the originator (SPVs relating to outstanding securitization exposures)  | 3                      | 3                      |
| 2. Total amount of securitised assets as per books of the SPEs   | 3,432.34               | 1,180.58               |
| 3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet   | 600.65                 | 1,173.83               |
| a) Off-balance sheet exposures   |                        |                        |
| - First loss   | -                      | -                      |
| - Others   | -                      | -                      |
| b) On-balance sheet exposures  |                        |                        |
| - First loss   | 429.04                 | 1,024.14               |
| - Others   | 171.61                 | 149.69                 |
| 4. Amount of exposures to securitisation transactions other than MRR   |                        |                        |
| a) Off-balance sheet exposures   |                        |                        |
| i) Exposure to own securitisations   |                        |                        |
| - First loss   | -                      | -                      |
| - Others   | -                      | -                      |
| ii) Exposure to third party securitisations  |                        |                        |
| - First loss   | -                      | -                      |
| - Others   | -                      | -                      |
| b) On-balance sheet exposures  |                        |                        |
| i) Exposure to own securitisations   |                        |                        |
| - First loss   | -                      | -                      |
| - Others   | -                      | -                      |
| ii) Exposure to third party securitisations  |                        |                        |
| - First loss   | -                      | -                      |
| - Others   | -                      | -                      |
| 5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation   | 3,003.29               | 6,338.33               |
| 6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.   | -                      | -                      |
| 7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. |                        |                        |
| <b>Credit Enhancement (100%)</b>   |                        |                        |
| (a) Amount paid  | 429.04                 | 1,024.14               |
| (b) Repayment received   | (171.61)               | (149.69)               |
| (c) Outstanding amount   | 600.65                 | 1,173.83               |
| 8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc  | 12.66%                 | 4.44%                  |
| 9. Amount and number of additional/top up loan given on same underlying asset  | -                      | -                      |



## 45 Additional disclosure pursuant to the Master Direction (Contd.)

## (v) Disclosures relating to securitization: (cont'd.)

10. Investor complaints  
(a) Directly/Indirectly received  
(b) Complaints outstanding

-

The securitised assets are secured by way of lien marking against FD of ₹ 181.22 as on 31 March 2025 (31 March 2024 ₹ 1,024.14)

## (vi) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction:

The Company has sold financial assets to securitisation/reconstruction companies for asset reconstruction in the current amounting to ₹ 2,709.62 lacs on June 2024 (31 March 2024 : ₹ Nil).

## (vii) Details of non-performing financial assets purchased / sold:

The Company has sold non-performing financial assets in the current amounting to ₹ 4,035.32 (31 March 2024 : ₹ Nil).

## (viii) Details of financing of parent company products:

This disclosure is not applicable as the Company has not entered into any such type of transaction.

## (ix) Unsecured advances:

Refer note 7 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc.

## (x) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL):

The Company has not lent or invested or lent and invested to any borrower / group of borrower in excess of the limits prescribed by the Reserve Bank of India

## (xi) Registration obtained from other financial regulators

The Company has not obtained registration from other financial regulators.

## (xii) Ratings assigned by credit rating agencies and migration of ratings during the year

| Instrument                    | Amount as at<br>31 March 2025 | Rating Company | Ratings as at<br>31 March 2025 | Ratings as at<br>31 March 2024      |
|-------------------------------|-------------------------------|----------------|--------------------------------|-------------------------------------|
| Long Term Bank<br>Facilities  | 70.00                         | ACUTE          | ACUTE BBB-   Stable            | ACUTE BBB-   Stable  <br>Downgraded |
|                               | 200.00                        | CARE*          | CARE BBB-; Negative            | CARE BBB-; Negative                 |
| Non-Convertible<br>Debentures | 100.00                        | ACUTE          | ACUTE BBB-   Stable            | ACUTE BBB-   Stable  <br>Downgraded |
|                               | 58.00                         | CARE*          | CARE BBB-; Negative            | CARE BBB-; Negative                 |

\*CARE Edge Ratings Ltd., vide letter dated April 3, 2025, has withdrawn the rating assigned to the Company's bank facilities and Non-Convertible Debentures

## (xiii) Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2025 (31 March 2024: Nil).

## (xiv) Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)

| Particulars                   | 31 March 2025 | 31 March 2024 |
|-------------------------------|---------------|---------------|
| Provision towards NPA         | 3,345.80      | (354.93)      |
| Provision for Standard Assets | (541.05)      | 194.72        |
| Provision for current tax     | -             | -             |
| Provision for gratuity        | 44.17         | 61.49         |

## (xv) Concentration of Deposits, Advances, Exposures and NPAs

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| <b>Concentration of Advances</b>   |                        |                        |
| Total advances to twenty largest borrowers   | 274.76                 | 1,081.62               |
| Percentage of advances to twenty largest borrowers to total advances of the Company                                    | 5.06%                  | 1.91%                  |
| <b>Concentration of Exposures</b>  |                        |                        |
| Total exposures to twenty largest borrowers/customers  | 274.76                 | 1,081.62               |
| Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/ customers | 5.06%                  | 1.91%                  |
| <b>Concentration of Exposures</b>  |                        |                        |
| Total exposures to top four NPA accounts   | 60.75                  | 118.47                 |

\* amount is excluding loan to related parties



## 45 Additional disclosure pursuant to the Master Direction (Contd.)

## (xvi) Sector-wise NPAs

## Percentage of gross NPAs to total advances in that sector

| Sector                          | As at 31 March 2025 | As at 31 March 2024 |
|---------------------------------|---------------------|---------------------|
| Agriculture & allied activities | 0.00%               | 14.90%              |
| MSME                            | 12.66%              | 3.78%               |
| Corporate borrowers             | 0.00%               | 0.00%               |
| Services                        | 0.00%               | 4.21%               |
| Auto loans                      | 0.00%               | 0.00%               |
| Other personal loans            | 0.00%               | 0.00%               |

## (xvii) Details of investments

| Particulars  | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| 1. Value of investments  |               |               |
| (i) Gross value of investments   |               |               |
| (a) In India   |               |               |
| (b) Outside India  | 7,368.46      | -             |
| (ii) Provisions for depreciation   |               |               |
| (a) In India   |               |               |
| (b) Outside India  | -             | -             |
| (iii) Net value of investments   |               |               |
| (a) In India   |               |               |
| (b) Outside India  | 7,368.46      | -             |
| 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   | -             | -             |

## (xviii) Movement of NPAs

| Sl No | Particulars  | 31 March 2025 | 31 March 2024 |
|-------|--|---------------|---------------|
| i     | Net NPAs to Net Advances (%)   | 0.00%         | 1.92%         |
| ii    | Movement of NPAs (Gross)   |               |               |
| i)    | Opening balance  | 2,329.62      | 3,770.29      |
| ii)   | Additions during the year  | 699.22        | 3,096.69      |
| iii)  | Reductions during the year   | (2,508.21)    | (4,537.36)    |
| iv)   | Closing balance  | 520.63        | 2,329.62      |
| iii   | Movement of Net NPAs   |               |               |
| i)    | Opening balance  | 1,066.80      | 1,748.08      |
| ii)   | Additions during the year  | 184.89        | 1,836.51      |
| iii)  | Reductions during the year   | (1,251.69)    | (2,517.79)    |
| iv)   | Closing balance  | 0.00          | 1,066.80      |
| iv    | Movement of provisions for NPAs (excluding provision on standard assets) |               |               |
| i)    | Opening balance  | 1,262.82      | 2,022.22      |
| ii)   | Provisions made during the year  | 514.33        | 1,260.17      |
| iii)  | Write-back of excess provisions  | (1,256.52)    | (2,019.57)    |
| iv)   | Closing balance  | 520.63        | 1,262.82      |

\*amount excludes interest accrued



## 45 Additional disclosure pursuant to the Master Direction (Contd.)

| (xix) Disclosure of restructured accounts  |                    |                              |              |          |      |        |
|--|--------------------|------------------------------|--------------|----------|------|--------|
| Type of Restructuring  |                    | Others                       |              |          |      |        |
| Asset Classification   |                    | For Year ended 31 March 2025 |              |          |      |        |
| Details  |                    | Standard                     | Sub-Standard | Doubtful | Loss | Total  |
| Restructured Accounts as on 1 April (opening figures)  | No. of borrowers   | 19.00                        | 8.00         | -        | -    | 27.00  |
|  | Amount outstanding | 92.21                        | 55.99        | -        | -    | 148.20 |
|  | Provision thereon  | 2.42                         | 37.61        | -        | -    | 40.03  |
| Fresh restructuring during the year  | No. of borrowers   | -                            | -            | -        | -    | -      |
|  | Amount outstanding | -                            | -            | -        | -    | -      |
|  | Provision thereon  | -                            | -            | -        | -    | -      |
| 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   | -                            | -            | -        | -    | -      |
|  | Amount outstanding | -                            | -            | -        | -    | -      |
|  | Provision thereon  | -                            | -            | -        | -    | -      |
| Write-offs / Closure of restructured accounts during the FY  | No. of borrowers   | 5.00                         | 2.00         | -        | -    | 7.00   |
|  | Amount outstanding | 6.39                         | 3.35         | -        | -    | 9.74   |
|  | Provision thereon  | 0.13                         | 2.44         | -        | -    | 2.57   |
| Sale to ARC / Other Financial Institutions   | No. of borrowers   | 14.00                        | 6.00         | -        | -    | 20.00  |
|  | Amount outstanding | 85.83                        | 52.64        | -        | -    | 138.47 |
|  | Provision thereon  | 2.29                         | 35.17        | -        | -    | 37.46  |
| Restructured Accounts as on 31 March (closing balance)   | No. of borrowers   | -                            | -            | -        | -    | -      |
|  | Amount outstanding | -                            | -            | -        | -    | -      |
|  | Provision thereon  | -                            | -            | -        | -    | -      |





## 45 Additional disclosure required by RBI (cont'd)

| (xix) Disclosure of restructured accounts (cont'd)   |                    | Others                       |              |          |      |          |
|--|--------------------|------------------------------|--------------|----------|------|----------|
| Type of Restructuring  |                    | For Year ended 31 March 2024 |              |          |      |          |
| Asset Classification   | Details            | Standard                     | Sub-Standard | Doubtful | Loss | Total    |
| Restructured Accounts as on 1 April (opening figures)  | No. of borrowers   | 70.00                        | 45.00        | -        | -    | 115.00   |
|  | Amount outstanding | 620.21                       | 701.35       | -        | -    | 1,321.56 |
|  | Provision thereon  | 15.49                        | 374.32       | -        | -    | 389.80   |
| Fresh restructuring during the year  | No. of borrowers   | -                            | -            | -        | -    | -        |
|  | Amount outstanding | -                            | -            | -        | -    | -        |
|  | Provision thereon  | -                            | -            | -        | -    | -        |
| Fresh restructuring during the year under COVID Circulars  | No. of borrowers   | 1.00                         | -            | -        | -    | 1.00     |
|  | Amount outstanding | 24.42                        | -            | -        | -    | 24.42    |
|  | Provision thereon  | -                            | -            | -        | -    | -        |
| 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   | -                            | 8.00         | -        | -    | 8.00     |
|  | Amount outstanding | -                            | 55.99        | -        | -    | 55.99    |
|  | Provision thereon  | -                            | 2.50         | -        | -    | 2.50     |
| Write-offs of restructured accounts during the FY  | No. of borrowers   | 44.00                        | 44.00        | -        | -    | 88.00    |
|  | Amount outstanding | 369.48                       | 676.94       | -        | -    | 1,046.42 |
|  | Provision thereon  | 9.90                         | 374.32       | -        | -    | 384.22   |
| Restructured Accounts as on 31 March (closing balance)   | No. of borrowers   | 19.00                        | 8.00         | -        | -    | 27.00    |
|  | Amount outstanding | 92.21                        | 55.99        | -        | -    | 148.20   |
|  | Provision thereon  | 2.42                         | 37.61        | -        | -    | 40.03    |

46 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 29 September 2016

## Instances of fraud for the year ended 31 March 2025

There were no instances of fraud reported for the year ended 31 March 2025 (31 March 2024: Nil)

## 47 Income and Expenditure in foreign currency

| Particulars                         | 31 March 2025 | 31 March 2024 |
|-------------------------------------|---------------|---------------|
| Income in foreign currency          |               |               |
| Miscellaneous income (service fees) | -             | -             |
| Expenditure in foreign currency     |               |               |
| Software license fees               | 8.01          | -             |
| Travel and conveyance               | 5.48          | 11.97         |

## 48 Value of import in foreign currency on CIF basis

There are no import of capital goods during the current and previous year.



## 49 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 2025

| 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 |
|--|--|-------------------------------------|---|---------------------|--|--|
| <b>Performing Assets</b>   |  |                                     |   |                     |  |  |
| Standard   | Stage 1                                | 4,558.68                            | 80.85   | 4,477.83            | 20.80                                  | 60.05  |
|  | Stage 2                                | 188.51                              | 24.31   | 164.20              | 0.88                                   | 23.43  |
| Standard assets classified as substandard as per Restructuring guidelines                  | Stage 1                                | -                                   | -   | -                   | -                                      | -  |
|  | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>  |  | <b>4,747.19</b>                     | <b>105.16</b>   | <b>4,642.03</b>     | <b>21.68</b>                           | <b>83.48</b>   |
| <b>Non-Performing Assets (NPA)</b>   |  |                                     |   |                     |  |  |
| Substandard  | Stage 3                                | 687.98                              | 687.98  | -                   | 208.91                                 | 479.07   |
| Doubtful - up to 1 year  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| 1 to 3 years   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| More than 3 years  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for doubtful</b>   |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| Loss   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for NPA</b>  |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| Other items which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1                                | -                                   | -   | -                   | -                                      | -  |
|  | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>  |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| <b>Total</b>   | Stage 1                                | <b>4,558.68</b>                     | <b>80.85</b>  | <b>4,477.83</b>     | <b>20.80</b>                           | <b>60.05</b>   |
|  | Stage 2                                | <b>188.51</b>                       | <b>24.31</b>  | <b>164.20</b>       | <b>0.88</b>                            | <b>23.43</b>   |
|  | Stage 3                                | <b>687.98</b>                       | <b>687.98</b>   | <b>-</b>            | <b>208.91</b>                          | <b>479.07</b>  |

For 31 March 2024

| 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 |
|--|--|-------------------------------------|---|---------------------|--|--|
| <b>Performing Assets</b>   |  |                                     |   |                     |  |  |
| Standard   | Stage 1                                | 54,022.16                           | 1,133.08  | 52,889.08           | 266.34                                 | 866.74   |
|  | Stage 2                                | 1,661.30                            | 266.51  | 1,394.79            | 8.11                                   | 258.40   |
| Standard assets classified as substandard as per Restructuring guidelines                  | Stage 1                                | -                                   | -   | -                   | -                                      | -  |
|  | Stage 2                                | 20.58                               | -   | 20.58               | 2.06                                   | (2.06)   |
| <b>Subtotal</b>  |  | <b>55,704.04</b>                    | <b>1,399.59</b>   | <b>54,304.45</b>    | <b>276.51</b>                          | <b>1,123.08</b>  |
| <b>Non-Performing Assets (NPA)</b>   |  |                                     |   |                     |  |  |
| Substandard  | Stage 3                                | 2,589.32                            | 1,422.43  | 1,166.89            | 264.37                                 | 1,158.06   |
| Doubtful - up to 1 year  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| 1 to 3 years   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| More than 3 years  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for doubtful</b>   |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| Loss   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for NPA</b>  |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| Other items which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1                                | -                                   | -   | -                   | -                                      | -  |
|  | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>  |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| <b>Total</b>   | Stage 1                                | <b>54,022.16</b>                    | <b>1,133.08</b>   | <b>52,889.08</b>    | <b>266.34</b>                          | <b>866.74</b>  |
|  | Stage 2                                | <b>1,681.88</b>                     | <b>266.51</b>   | <b>1,415.37</b>     | <b>10.17</b>                           | <b>256.34</b>  |
|  | Stage 3                                | <b>2,589.32</b>                     | <b>1,422.43</b>   | <b>1,166.89</b>     | <b>264.37</b>                          | <b>1,158.06</b>  |



b) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019 have been given below:

**(i) Funding Concentration based on significant counterparty on borrowings**

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Number of significant counterparties                     | 3                      | 21                     |
| Amount of borrowed funds from significant counterparties | 2,782.31               | 50,122.59              |
| Percentage of total deposits                             | Not applicable         | Not applicable         |
| Percentage of total liabilities                          | 28.3%                  | 84.29%                 |

**Notes:**

i) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001 /2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

ii) Total Liabilities has been computed as Total Assets less equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

Ashv Finance Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in ₹ lakhs unless otherwise stated)

**49 Other RBI disclosures (Contd.)**

b) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019: Contd.

(ii) Top 20 large deposits (amount in ₹ lakhs and % of total deposits) - Not applicable

**(iii) Top 10 borrowings**

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Amount of borrowed funds from top ten significant counterparties* | 2,782.31               | 24,557.03              |
| % of total borrowings*  | 99.7%                  | 45.4%                  |

**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 2025<br>Amount* | % of total<br>liabilities | As at 31 March 2024<br>Amount* | % of total<br>liabilities |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
| Debt securities                         | -                              | 0.0%                      | 18,762.03                      | 31.6%                     |
| Borrowings (other than debt securities) | 2,782.36                       | 28.3%                     | 35,335.80                      | 59.4%                     |

**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-NDSIs, 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**

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| 1. Commercial papers as a % of total liabilities  | 0.00%                  | 4.13%                  |
| 2. Commercial papers as a % of total assets   | 0.00%                  | 2.69%                  |
| 3. Commercial papers as a % of public fund  | 0.00%                  | 4.46%                  |
| 4. Non-convertible debentures (original maturity of less than one year) as a % of total liabilities | 0.00%                  | 0.00%                  |
| 5. Non-convertible debentures (original maturity of less than one year) as a % of total assets      | 0.00%                  | 0.00%                  |
| 6. Non-convertible debentures (original maturity of less than one year) as a % of public fund*      | 0.00%                  | 0.00%                  |
| 7. Other short-term liabilities as a % of total liabilities   | 74.0%                  | 58.5%                  |
| 8. Other short-term liabilities as a % of total assets  | 38.6%                  | 41.1%                  |
| 9. Other short-term liabilities as a % of public fund*  | 192.28%                | 62.76%                 |

\*Public funds is as defined in Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

**(vi) Institutional set-up for Liquidity Risk Management**

Refer note 40.

c) Disclosures pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021:

**i) Covenant breaches**

The Company is in material compliance with all its financial obligations except in respect of few financial covenants, which has been duly reported to the Board of Directors and the Lenders from time to time. Till date, there has been no action by any Lender in this regard.

50 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:

| Particulars  | Type of borrower<br>MSMEs |
|--|---------------------------|
| Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2024 (A) | 57.85                     |
| Of (A), aggregate debt that slipped into NPA during the year   | 4.90                      |
| Of (A) amount written off during the year  | -                         |
| Of (A) amount paid by the borrowers during the year  | 52.95                     |
| Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2025     | -                         |



- 51 a. 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 year ended 31 March 2025 are given below:

## i. Details of transfer through assignment in respect of loans not in default:

| Entity  | To other Transferee |
|---|---------------------|
| Count of loans assigned*#                       | 7,111               |
| Amount of loans assigned (Rs. In lakhs)         | 52,364.68           |
| Weighted average maturity (In month)            | 39.10               |
| Weighted average holding period (In month)      | 24.96               |
| Retention of beneficial economic interest (MRR) | NA                  |
| Coverage of tangible security coverage          | 9,984.46            |
| Rating-wise distribution of rated loans         | Unrated             |

\*The amount of loans assigned includes only POS

# The no. of loans includes both transfer to ARCII, and Protium.

ii. The Company has not acquired any non-performing assets/loans not in default.

iii. The Company has not acquired any stressed loan.

- 52 b. During the year ended 31 March 2025, the Company has transferred loans amounting to ₹ 382.72 through co-lending arrangements (31 March 2024: ₹ 335.08) to the respective participating bank which are akin to direct assignment transaction under circular no. RBI/2020-21/63 FIDD.Co.Plan.BC.No.8/04.09.01/2020-21, dated 5 November 2020.

- 53 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

| Category   | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| <b>i) Direct exposure</b>  |               |               |
| <b>a) Residential Mortgages -</b>  |               |               |
| 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>b) Commercial Real Estate -</b>   |               |               |
| 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           |
| <b>Invest</b>  |               |               |
| i. Residential   | Nil           | Nil           |
| ii. Commercial Real Estate   | Nil           | Nil           |
| <b>ii) Indirect Exposure</b>   |               |               |
| Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.  | Nil           | Nil           |
| <b>Total Exposure to Real Estate Sector</b>  | <b>Nil</b>    | <b>Nil</b>    |

\*Loans secured by way of property have not been considered as exposure to real estate.



## 2) Exposure to capital market

| Particulars   | 31 March 2025 | 31 March 2024 |
|---|---------------|---------------|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and nos. 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 on clean basis to individuals for investment in shares (including IPOs / ESCOs), convertible bonds, convertible debentures, and nos. of equity oriented mutual funds   | Nil           | Nil           |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or nos. 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 nos. of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / nos. 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 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 nos. 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           |
| <b>Total exposure to capital market</b>   | <b>Nil</b>    | <b>Nil</b>    |

## 53 Disclosures pursuant to RBI Notification RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022: (cont'd)

## 3) Sectoral exposure

| Sectors                                     | 31 March 2025  |                        |  | 31 March 2024   |                        |  |
|---|--|------------------------|--|---|------------------------|--|
|   | Total Exposure<br>(includes on balance<br>sheet and off-balance<br>sheet exposure)<br>(₹ Lacs) | Gross NPAs<br>(₹ Lacs) | Percentage of<br>Gross NPAs to<br>total exposure<br>in that sector | Total Exposure<br>(includes on<br>balance sheet<br>and off-balance<br>sheet exposure)<br>(₹ Lacs) | Gross NPAs<br>(₹ Lacs) | Percentage of<br>Gross NPAs to<br>total exposure in<br>that sector |
| <b>1. Agriculture and Allied Activities</b> | <b>0.05</b>  | <b>-</b>               | <b>0.00%</b>   | <b>0.59</b>   | <b>0.09</b>            | <b>14.90%</b>  |
| <b>2. Industry</b>                          |  |                        |  |   |                        |  |
| i. Micro                                    | 2,974.76   | 798.95                 | 26.86%   | 13,311.54   | 776.00                 | 5.83%  |
| ii. Small                                   | 1,384.32   | 506.37                 | 36.58%   | 7,768.73  | 350.57                 | 4.51%  |
| iii. Medium                                 | 86.29  | 64.20                  | 74.40%   | 813.46  | 42.14                  | 5.18%  |
| iv. Large                                   | 4.60   | -                      | 0.00%  | 14.10   | -                      | 0.00%  |
| v. Others                                   | -  | -                      | 0.00%  | -   | -                      | 0.00%  |
| <b>Total of Industry</b>                    | <b>4,449.97</b>  | <b>1,369.52</b>        | <b>30.78%</b>  | <b>21,907.83</b>  | <b>1,168.71</b>        | <b>5.33%</b>   |
| <b>3. Services</b>                          |  |                        |  |   |                        |  |
| i. Transport Operators                      | 124.26   | 44.19                  | 35.56%   | 636.55  | 46.47                  | 7.30%  |
| ii. Computer Software                       | -  | -                      | 0.00%  | 198.54  | 4.57                   | 2.30%  |
| iii. Tourism, Hotel and Restaurants         | 50.46  | 0.32                   | 0.64%  | 160.83  | 3.25                   | 2.02%  |
| iv. Shipping                                | -  | -                      | 0.00%  | -   | -                      | 0.00%  |
| v. Professional Services                    | 22.49  | 6.35                   | 28.21%   | 235.37  | 17.23                  | 6.74%  |
| vi. Trade                                   | 8,505.81   | 1,989.18               | 23.39%   | 39,461.64   | 2,184.09               | 5.53%  |
| vii. Commercial Real Estate                 | -  | -                      | 0.00%  | -   | -                      | 0.00%  |
| viii. NBFCs                                 | 4.03   | -                      | 0.00%  | 94.57   | -                      | 0.00%  |
| ix. Aviation                                | -  | -                      | 0.00%  | -   | -                      | 0.00%  |
| x. Other Services                           | 2,803.79   | 777.56                 | 27.73%   | 16,463.99   | 738.64                 | 4.61%  |
| <b>Total of Services</b>                    | <b>11,510.84</b>   | <b>2,817.60</b>        | <b>24.48%</b>  | <b>57,271.70</b>  | <b>3,014.25</b>        | <b>5.26%</b>   |
| <b>4. Personal Loans</b>                    | <b>-</b>   | <b>-</b>               | <b>0.00%</b>   | <b>-</b>  | <b>-</b>               | <b>0.00%</b>   |
| <b>Total</b>                                | <b>15,960.86</b>   | <b>4,187.12</b>        | <b>26.23%</b>  | <b>79,180.12</b>  | <b>4,183.05</b>        | <b>5.28%</b>   |





53 Disclosures pursuant to RBI Notification RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022: (cont'd)

A) Unhedged foreign currency exposure

There is no unhedged foreign currency exposure as on 31 March 2025 (31 March 2024: Nil)

B) 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 2025 | 31 March 2024 |
|--|---|---------------|---------------|
| <b>Complaints received by the NBFC from its customers</b>                    |   |               |               |
| 1  | Number of complaints pending at beginning of the year   | -             | -             |
| 2  | Number of complaints received during the year   | 58            | 13            |
| 3  | Number of complaints disposed during the year   | 58            | 13            |
| 3.1  | Of which, number of complaints rejected by the NBFC   | -             | -             |
| 4  | Number of complaints pending at the end of the year   | -             | -             |
| <b>Maintainable complaints received by the NBFC from Office of Ombudsman</b> |   |               |               |
| 5  | Number of maintainable complaints received by the NBFC from Office of Ombudsman                             | 23            | 20            |
| 5.1  | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman                            | 23            | 20            |
| 5.2  | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | -             | -             |
| 5.3  | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC         | -             | -             |
| 6  | Number of Awards unimplemented within the stipulated time (other than those appealed)                       | -             | -             |

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 |
|--|---|---|---|---|---|
| <b>FY 2024-25</b>                                    |   |   |   |   |   |
| Incorrect CIBIL Reporting                            | -   | 14  | 100%  | -   | -   |
| ROI Related Issues                                   | -   | -   | -100%   | -   | -   |
| Collection Related Issues                            | -   | 20  | 122%  | -   | -   |
| Miscommunication by Sales/RM                         | -   | 1   | 100%  | -   | -   |
| Others   | -   | 23  | 1050%   | -   | -   |
| <b>Total</b>   | -   | <b>58</b>                                     | <b>346%</b>   | -   | -   |
| <b>FY 2023-24</b>                                    |   |   |   |   |   |
| Incorrect CIBIL Reporting                            | 1   | -   | -100%   | -   | -   |
| ROI Related Issues                                   | -   | 2   | -33%  | -   | -   |
| Collection Related Issues                            | -   | 9   | 29%   | -   | -   |
| Miscommunication by Sales/RM                         | -   | -   | -100%   | -   | -   |
| Others   | -   | 2   | -60%  | -   | -   |
| <b>Total</b>   | <b>1</b>  | <b>13</b>                                     | <b>-48%</b>   | -   | -   |

(C) 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.

(D) Divergence in Asset Classification and Provisioning:

Not applicable for the current financial year.

54 The disclosure for Liquidity Coverage Ratio as per RBI Master Directions RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 updated as on 21st March 2024 and amended from time to time is not applicable as the asset size of the Company is below ₹ 5,00,000 Lakhs as on 31st March 2025 (31 March 2024 : Not Applicable)

55 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<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Directors and their relatives                          | -                      | -                      |
| Entities associated with directors and their relatives | -                      | -                      |
| Senior Officers and their relatives                    | -                      | -                      |



**Ashv Finance Limited****Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**

(All amounts in ₹ lakhs unless otherwise stated)

**56 Relationship with struck off companies**

| Name of Struck off Company     | Relationship with Struck off Company | Nature of transaction | As At 31 March 2025 | As At 31 March 2024 |
|--------------------------------|--------------------------------------|-----------------------|---------------------|---------------------|
| Nimbus Systems Private Limited | Customer                             | Loan Given            | -                   | 12.57               |

The above customer have been found regular in paying EMIs.

**57 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).

**58 Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

**59 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)
  - 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
- 60 The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 05, 2023 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of account and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further no instance of audit trail feature being tampered with was noted in respect of software.
- 61 With approval from its board of directors on December 18, 2024 and shareholders on December 30, 2024 to exit the unsecured lending business through direct selling agents in the manner currently being carried out, the Company assessed to sale its own share of colending loan assets and the servicing rights of loan assets held by colenders, DA and PTC holders (cumulatively called 'off book'). The proposal for a sale consideration of INR 3,035 lakhs was presented by the management and was approved by the board of directors on December 31, 2024 and accordingly a separate contractual agreement was executed with the buyer to receive an advance amount against the off book. Advance amount received is recognised as financial liability and the Company continues to recognise loan assets in its books with execution of novation agreement from colenders, DA and PTC holders still in process as on March 31, 2025.



**Ashv Finance Limited**

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**

(All amounts in ₹ lakhs unless otherwise stated)

**62 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.

**63 Figures for the previous year have been regrouped or reclassified wherever necessary to make them comparable.**

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

**V Sankar Aiyar and Co.**  
Chartered Accountants  
Firm registration number: 109208W



**Asha Patel**  
Partner  
Membership No: 166048

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



**Vineet Chandra Rai**  
Chairman  
DIN: 00606290




**Nikesh Kumar Sinha**  
Managing Director and CEO  
DIN: 08268336



**Shristi Padia**  
Company Secretary



**Amit Kothari**  
Chief Financial Officer



**Atreya Rayaprolu**  
Authorised Signatory

Place: Mumbai  
Date: April 29, 2025

Place: Mumbai  
Date: April 29, 2025

