Independent Auditors' Report to the Members of Dvara Kshetriya Gramin Financial Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dvara Kshetriya Gramin Financial Services Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the *standalone* 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current financial year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed
Impairment of loans (Expected Credit Losses) (Refer note 2.4(iv), 26 of the standalone financial statements) Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement based on a range of factors. The Company's impairment allowance is derived from estimates including historical default and loss ratios. Estimation includes timely identification and classification	In view of the significance of the matter, the following key audit procedures were performed by us: Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.

Key Audit Matter	How the matter was addressed
of the impaired loans. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. The determination of impairment loss allowance is inherently judgmental and relies on managements' best estimate due to the following: 1. Segmentation of loans given to the customer 2. Criteria selected to identify significant increase in credit risk. 3. Increased level of data inputs for capturing the historical data to calculate the Probability of Default ('PDs') and Loss Given Default ("LGD") and the completeness and accuracy of that data 4. The disclosures made in Financial Statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. During the year, the Company has made changes to the ECL Model as a process of refinement to ECL. The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter (KAM).	These procedures included, but not limited, to the following: • Examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. • Evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of the need for post model adjustments, model validation, recording of accounting entries and disclosures. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. • Obtained an understanding of the model adopted by the Company for calculation of expected credit loss. Tested, on sample basis, the arithmetical calculation of the workings, the input and historical data used for determining the PD and LGD and agreed the data with the underlying books of accounts and records. For change in ECL Model, evaluated the basis of such change including the reasonableness and appropriateness of the same. • Performed an overall assessment of the ECL provision at each stage to determine if they were reasonable considering the Company's portfolio, risk profile and the macroeconomic environment. • Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Standalone Financial Statements and Auditors' 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 Company's annual report / Directors report but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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FIRM NO. 003990S
Chennai

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone 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.

- Conclude on the appropriateness of Management 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 auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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



(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the (Ind AS) specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 12 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024; and

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes 77(f) to the standalone financial statements, 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes 77(g) to the standalone financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in 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.

(c) Based on such audit procedures that 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 mis-statement.

v. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

vi. As stated in Note 75 to the standalone financial statements and according to the information and explanations given to us by the Company and based on our examination which included test checks, the Company has used the accounting software (a loan management software and a general ledger maintenance software) for maintaining its books of accounts which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in such software. For one of the accounting software mentioned above, the software is such that it has no database but only objects and collections as explained in Note No 75, hence, no changes is possible at that level. Edit log of changes to database of loan management software is incomplete.

During the course of our audit, we did not come across any instance of audit trail feature being tampered with for the period for which audit trail was enabled.

As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

3. Since the Company is a private limited company, the provisions of Section 197 of the Act are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018



P Devi
Partner
Membership No. 223137
UDIN: 24223137BKDFPX5149

Place: Chennai
Date: 30 May 2024

Annexure A to the Independent Auditor's report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2024

(i) According to the information and explanations given to us and based on the audit procedures performed by us, in respect of the Company's Property, Plant and Equipment and Intangible Assets, we report that:

(a)

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

In respect of immovable properties of land and building that have been taken on lease and disclosed as leasehold lands / buildings under property, plant & equipment / right of use assets in the standalone financial statements, the lease agreements are in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets and intangible assets during the year and hence this clause is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) According to the information and explanations given to us and based on the audit procedures performed by us,

a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii)

(a) Company's principal business is to give loans and hence this clause3 (iii) (a) is not applicable

(b) Based on our audit procedures and according to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 2.4 to the Standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2024, aggregating ₹ 5528.55 lakhs were categorised as credit impaired ("Stage 3") and ₹ 1,834.29 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 34(i) to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 1,76,619.62 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to ₹ 1,424.66 lakhs was also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 5528.55 lakhs in respect of 22,420 number of loan accounts. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us, the Company being Non-Banking Finance Company registered with the Reserve Bank of India (the "RBI"), the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company and no order has been passed by the RBI or any Court or any other Tribunal against the Company in this regard.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act with respect of making investments made, guarantees and security provided to it.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, *except for a few delays given below*, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable with the appropriate authorities.

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Goods & Services Tax Act	Goods & Services Tax	71,56,961	Sep'23	20 Oct 23	21 Oct 23	Delay in remittance

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2024 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 based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of Dues	Amount demanded (net of amt paid) Rs lakhs	Amount paid Rs lakhs	Period to which amount relates	Forum where dispute is pending
Finance Act 1994 – Service Tax	Service tax Arrears	63.61	2.68	April 2010 to April 2015	Customs, Exercise & Service tax Appellate Tribunal

(viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix)

(a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained;

(d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.

(e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the

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obligations of its associate company. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its associate company. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x)

(a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company

(xi)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, except for 121 cases as identified by the management relating to cash embezzlement by employees amounting to Rs. 91.83 lakhs as stated under Note 48 to the standalone financial statements.

(b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

(c) We have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the Indian accounting standard Related Party Disclosures (Ind AS 24)

(xiv)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors issued to the Company covering the period up to 31st March 2024.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) Based on our audit procedures and according to the information and explanations given to us, the Company is engaged in the business of Non-Banking Financial Institution and has obtained a valid

certificate of registration as required under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based on our audit procedures and according to the information and explanations given to us, the company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditor during the year and accordingly this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Based on our audit procedures and according to the information and explanations given to us, the company the company does not have any unspent amount towards Corporate Social Responsibility (CSR) in respect of any ongoing or other than ongoing project as at the balance sheet date. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.



(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

P Devi
Partner
Membership No. 223137
UDIN: 24223137BKDFPX5149
Place: Chennai
Date: 30 May 2024

Annexure B

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

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to standalone financial statements of Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in

SRIDHAR & SRIDHAR CHENNAI

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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. The control over computation of Expected Credit Loss and maintenance of records pertaining to Right to Use assets requires strengthening.

We have considered the areas of improvements identified above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements for the year ended 31 Mar 2024 of the Company, and it does not affect our opinion on the standalone financial statements of the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

P Devi
Partner
Membership No. 223137
UDIN: 24223137BKDFP X 5149

Place: Chennai
Date: 30 May 2024

Dvara Kshetriya Gramin Financial Services Private Limited
Standalone Balance Sheet as at March 31, 2024
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	4	24,951.54	7,830.30
Bank balance other than cash and cash equivalents	5	12,627.92	9,422.14
Trade receivables	6	382.26	636.30
Loans	7	1,79,533.70	1,59,641.50
Investments	8	81.21	75.00
Other financial assets	9	1,092.10	988.08
		2,18,668.73	**1,78,593.32**
Non-financial assets			
Current tax assets (net)		1,449.04	1,663.51
Deferred tax assets (net)	30	1,720.31	2,228.35
Property, plant and equipment	10	600.09	462.64
Intangible asset under development	10C	59.05	-
Goodwill	10A	227.88	209.28
Other intangible assets	10A	1,878.35	2,576.57
Right of use assets	10B	1,073.39	587.47
Other non-financial assets	11	1,096.30	1,433.04
		8,104.42	**9,160.86**
Total Assets		**2,26,773.15**	**1,87,754.17**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	987.51	19.67
Payables			
a) Trade payables	13		
(i) dues of micro enterprises and small enterprises		-	-
(ii) dues other than micro enterprises and small enterprises		515.55	417.89
Debt securities	14	40,991.88	26,168.06
Borrowings (other than debt securities)	15	1,30,579.80	1,17,730.04
Subordinated Liabilities	15a	7,786.15	5,485.43
Other financial liabilities	16	6,354.46	5,866.10
		1,87,215.35	**1,55,687.18**
Non-financial liabilities			
Provisions	17	482.56	463.77
Other non-financial liabilities	18	314.85	354.14
		797.41	**817.91**
EQUITY			
Equity share capital	19	10,887.14	10,887.14
Instruments entirely equity in nature	19A	3,584.93	-
Other equity	20	24,288.33	20,361.95
		38,760.40	**31,249.09**
Total Liabilities and Equity		**2,26,773.15**	**1,87,754.17**
Accounting policies	2 & 3		

The notes referred to above form an integral part of these financial statements

As per our report of even date

for **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's registration number: 003990S/S200018

P Devi
Partner
Membership No. 223137

Place : Chennai
Date : 30-May-2024

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Deepika Bhatt
Company Secretary
Membership No. F11027
Place : Delhi

Dvara Kshetriya Gramin Financial Services Private Limited
Statement of Standalone Profit and Loss for the the year ended March 31, 2024
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	For the year ended 31-March-2024	For the year Ended 31 March 2023
Revenue from operations			
Interest income	21	52,319.42	35,553.21
Fees and commission income	22	2,081.01	1,342.26
Net gain on fair value changes	23	430.62	106.84
Recovery of bad debts		1,535.43	1,051.32
Total revenue from operations		**56,366.48**	**38,053.63**
Other income		145.37	148.27
Total income (A)		**56,511.85**	**38,201.90**
Expenses			
Finance costs	24	23,442.32	16,059.24
Fees and commission expense	25	665.82	848.64
Impairment on financial instruments	26	8,180.39	5,837.39
Employee benefits expenses	27	11,383.02	9,151.44
Depreciation and amortization expenses	28	1,304.18	823.20
Other expenses	29	4,529.74	3,397.41
Total expenses (B)		**49,505.47**	**36,117.31**
Profit before tax ((C) = (A) - (B))		**7,006.38**	**2,084.59**
Tax expense:			
Current tax		1,420.75	-
Deferred tax		832.68	648.34
Total tax expense (D)		**2,253.43**	**648.34**
Profit after tax for the year ((E) = (C) - (D)		**4,752.95**	**1,436.25**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(120.47)	(79.90)
- Income tax impact thereon		35.08	23.27
(ii) Items that will be reclassified to profit or loss			
- Hedge reserve account (net)		(994.41)	(123.77)
- Income tax impact thereon		289.57	36.04
Total other comprehensive income/(expense) for the year (F)		**(790.23)**	**(144.36)**
Total comprehensive income for the year		**3,962.72**	**1,291.88**
Earnings per equity share (face value Rs.100 each)			
- Basic (in Rs.)	31	40.74	12.87
- Diluted (in Rs.)	31	40.71	12.83

The notes referred to above form an integral part of these financial statements
As per our report of even date

for **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's registration number: 003990S/S200018

P Devi
Partner
Membership No. 223137

Place : Chennai
Date : 30-May-2024

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Deepika Bhatt
Company Secretary
Membership No. F11027
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited
Standalone statement of cash flow for the the year ended March 31, 2024
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Cash flow from operating activities		
Profit before tax	7,006.38	2,084.59
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	1,304.18	823.20
Impairment on financial instruments (net)	8,180.39	5,837.39
Finance costs	23,442.32	16,059.24
Provision for employee stock option plan	(36.34)	117.70
Interest on deposits with Banks	(745.91)	(296.76)
Interest income on loans	(50,940.13)	(35,174.62)
Gain on mutual funds investments designated at FVTPL	(424.41)	(106.84)
Operating profit before working capital changes	**(12,213.52)**	**(10,656.11)**
Changes in working capital and other changes:		
(Increase) / decrease in trade receivables	254.04	(486.51)
(Increase) in other bank balances	(2,785.01)	(3,578.82)
(Increase) / decrease in investments	(6.22)	586.18
(Increase) in loans	(23,661.50)	(62,300.02)
Decrease/ (increase) in other financial assets	(104.02)	1,116.82
Decrease/ (increase) in other non financial assets	336.74	(264.55)
Increase in trade payables, other liabilities and provisions	1,011.97	4,931.49
Cash flow from operating activities post working capital changes	**(37,167.51)**	**(70,651.52)**
Interest income on loans	46,529.03	32,918.13
Finance cost paid	(21,956.32)	(15,596.01)
Cash flow used in operating activities	**(12,594.80)**	**(53,329.40)**
Income tax paid (net)	(1,530.93)	(952.35)
Net cash flow used in operating activities	**(14,125.73)**	**(54,281.75)**
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	3.69	2.28
Purchase of property, plant and equipment	(422.82)	(106.48)
Increase intangible asset under development	(59.05)	-
Increase of intangible assets	(139.08)	(1,605.55)
Increase of goodwill	(0.95)	(18.24)
Increase in right to use asset	(688.78)	-
Proceeds from sale of mutual fund (net)	424.41	-
Interest on deposits with banks	325.15	296.76
Net cash flow from investing activities	**(557.43)**	**(1,431.23)**
C. Cash flow from financing activities		
Proceeds from issue of debt securities (net of repayments)	14,055.09	11,129.26
Proceeds from issue of borrowings (net of repayments)	12,245.43	42,734.10
Subordinated liabilities	5,772.72	1,719.78
Payment of lease liabilities	(268.83)	(920.47)
Net cash flow from financing activities	**31,804.41**	**54,662.68**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**17,121.24**	**(1,050.30)**
Cash and cash equivalents at the beginning of the year	7,830.30	8,880.60
Cash and cash equivalents at the end of the year	**24,951.54**	**7,830.30**



Particulars	As at March 31, 2024	As at March 31, 2023
1 Components of cash and cash equivalents		
Cash and cheques on hand	235.12	128.54
Balances with banks		
-In current accounts	17,716.42	5,501.77
-In deposit accounts with original maturity less than three months	7,000.00	2,200.00
	24,951.54	**7,830.30**

The notes referred to above form an integral part of these financial statements.

As per our report of even date
for **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's registration number: 003990S/S200018

P Devi
Partner
Membership No. 223137

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Deepika Bhatt
Company Secretary
M. No. F11027
Place : Delhi

Place : Chennai
Date : 30-May-2024

Dvara Kshetriya Gramin Financial Services Private Limited
Statement of changes in equity for the the year ended March 31, 2024
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

A Equity share capital

Particulars	Number of shares	Amount
Balance as at April 1, 2023	**1,08,87,144**	**10,887.14**
Add: Shares issued during the year	-	-
Balance as at March 31, 2023	**1,08,87,144**	**10,887.14**
Balance as at April 1, 2023	**1,08,87,144**	**10,887.14**
Add. Shares issued during the year	-	-
Balance as at March 31,2024	**1,08,87,144**	**10,887.14**

B Other equity

	Reserves and Surplus						Other Comprehensive Income		Share application money pending allotment	Total
	Statutory Reserves	Securities Premium	Capital Reserve	Retained Earnings	Employee stock option outstanding	General Reserve	Defined Benefit Obligations	Cash Flow Hedge Reserve		
Balance as at April 1, 2022	**1,258.94**	**35,504.84**	**1,329.46**	**(19,368.02)**	**292.06**	**-**	**-**	**(64.91)**	**-**	**18,952.37**
Share based expenses	-	-	-	-	117.70	-	-	-	-	117.70
Profit for the year	-	-	-	1,436.25	-	-	-	-	-	1,436.25
Transfer to statutory reserve	287.25	-	-	(287.25)	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	(56.63)	-	-	(56.63)
Transferred to retained earnings	-	-	-	(56.63)	-	-	56.63	-	-	-
Fair valuation of financial instruments (net of tax)	-	-	-	-	-	-	-	(87.73)	-	(87.73)
Balance as at March 31, 2023	**1,546.19**	**35,504.84**	**1,329.46**	**(18,275.65)**	**409.76**	**-**	**-**	**(152.64)**	**-**	**20,361.95**
Balance as at April 1, 2023	**1,546.19**	**35,504.84**	**1,329.46**	**(18,275.65)**	**409.76**	**-**	**-**	**(152.64)**	**-**	**20,361.95**
Share based expenses	-	-	-		(36.34)	-	-	-	-	(36.34)
Profit for the year	-	-	-	4,752.95	-	-	-	-	-	4,752.95
Transfer to statutory reserve	950.59	-	-	(950.59)	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	(85.39)	-	-	(85.39)
Transferred to retained earnings	-	-	-	(85.39)	-	-	85.39	-	-	-
On account of employee stock options lapsed	-	-	-	-	(166.71)	166.71	-	-	-	-
Fair valuation of financial instruments (net of tax)	-	-	-	-	-	-	-	(704.84)	-	(704.84)
Balance as at March 31,2024	**2,496.78**	**35,504.84**	**1,329.46**	**(14,558.68)**	**206.70**	**166.71**	**-**	**(857.49)**	**-**	**24,288.33**

Accounting policies 2 and 3

The notes referred to above form an integral part of these financial statements.

for PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's registration number: 003990S/S200018

P Devi
Partner
Membership No. 229137

Place : Chennai
Date : 30-May-2024

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Deepika Bhatt
Company Secretary
Membership No. F11027

1 Reporting entity

Dvara Kshetriya Gramin Financial Services Private Limited ("Dvara KGFS" or "the Company") was incorporated on March 4, 1993. The Company has received the Certificate of Registration dated August 8, 2013, from the Reserve Bank of India ("RBI") to carry on the business of a Non-Banking Financial Institution Middle Layer without accepting public deposits ("NBFC-ML ").

The Company also acts as a business partner for Banks, Insurance Companies, and Non-Banking Finance Companies and as an intermediary to deliver financial and other products to remote rural areas.

The Company's mission is to maximise the financial well-being of every individual and every enterprise by providing complete financial services in remote rural areas.

2 Basis of preparation

2.1 Statement of compliance and basis of preparation and presentation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013 ('the Act') in conformity with generally accepted accounting principles in India and other relevant provisions of the Act.

The financial statements have been prepared and presented on going concern basis and at a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ('RBI') to the extent applicable.

These financial statements were approved by the Board of Directors and authorised for issue on May 30,2024.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted, or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the company's material accounting policies are disclosed in note 3.

The Balance sheet, the Statement of profit and loss and the Statement of changes in equity are presented in the format prescribed under Division III of Schedule III to the Act and as amended from time to time, for Non-Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

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

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs with two decimals unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value / Amortised Cost, as applicable
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, make judgments, and make assumptions. These estimates, judgments, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported income and expenses during the year. The accounting estimates could change from period to period. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in estimates, if material, are reflected in the financial statements in the year in which changes are made, and their effects are disclosed in the notes to the financial statements.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

P.S. SRIDHAR & SANTHANAM LLP FIRM REGN NO 003630S/S200016 CHENNAI

2.4 Use of estimates and judgements (continued)

Information about judgements, estimates and assumptions made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

i) Business model assessment

The classification and measurement of financial assets depends on the results of the business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate, and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Also, refer to note 3.8.

iii) Effective Interest Rate ("EIR") method

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

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

iv) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and allowances for financial assets should be measured on a lifetime expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

v) Impairment of non-financial assets

The company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets including goodwill. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset unless the asset does not generate cash inflow that is largely independent of those from other assets or groups of assets. The recoverable amounts of such assets are estimated if any indication exists, and impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

P.N. SRIDHAR & SANTHANAM FIRM REGN NO 003608S/S200018 CHENNAI

2.4 Use of estimates and judgements (continued)

vi) Other estimates, judgements and assumptions

Information about other estimates, judgements and assumptions that have the most significant effect to the financial statements within the next financial year are included in the following notes:

a) Measurement of defined benefit obligations: key actuarial assumptions; (refer note 38)
b) Estimated useful life of property, plant and equipment, right of use assets and intangible assets; (refer note 3.10)
c) Recognition of deferred taxes; (refer note 3.14 and 30)
d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.
e) Provisions and other contingent liabilities (refer note 3.20, 36 and 39)

3 Material accounting policies

3.1 Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115 :

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

A. Interest income

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

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

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

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on a net basis. If the financial asset cures and is no longer credit impaired, the company reverts to calculating interest income on a gross basis.

B. Fees and commission income

The fees and commission income, such as guarantee commission, service income, etc., are recognised on point in time.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

M/S SRIDHAR & SANTHANAM LLP FIRM REGN NO 003990S/S200018 CHENNAI

3.1 Revenue Recognition (continued)

C. Dividend income

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

D. Other interest income

Other interest income is recognised on a time proportionate basis.

E. Other income

The other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost
ii) Fair value through other comprehensive income ("FVOCI")
iii) Fair value through profit and loss ("FVTPL")

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel,
b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed,
c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected), and
d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

Sole Payments of Principal and Interest (SPPI test)

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

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

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost (AC)

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

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3.3 Financial assets and liabilities (continued)

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the quarter and year ended March 31, 2024, and year ended March 31, 2023.

3.5 Derecognition and modification of financial assets and liabilities

A. De-recognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from The asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit or Loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

B. Modifications of financial assets and financial liabilities

i) Financial Assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in Statement of profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income using EIR method.

Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.





3.5 Derecognition and modification of financial assets and liabilities (continued)

ii) Financial Liability

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

3.6 Impairment of financial assets

A. Overview of Expected Credit Loss ('ECL') principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

Stages	Days Past Due	ECL	Risk
Stage 1	Upto 30 days	12 month ECL	Low credit risk
Stage 2	31-90 days	Life time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life time ECL	Impaired assets

B. Calculation of ECLs

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

PD:

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

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

LGD:

Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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3.6 Impairment of financial assets (Continued)

The mechanics of the ECL method are summarised below:

Stage 1:

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

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

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

C. Loans and advances measured at FVOCI

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

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.





3.10 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful life	Useful life as per Schedule II
Furniture and fittings	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computers and accessories	3 years	3 years
Leasehold improvements	Lower of Lease period or 10 years	Not applicable

Depreciation on additions (disposals) is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed of).

3.11 Intangible assets

i. Goodwill

For measurement of goodwill that arises on a business combination refer note 3.16. Subsequent measurement is at cost less any accumulated impairment losses.

i. Other intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset category	Estimated Useful life
Computer software	5 years
Branch distribution network	5 years
Customer contract	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.12 Employee benefits

i. Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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3.12 Employee benefits (continued)

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits LTI

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

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

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

iv. Stock based compensation

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

v. Long service bonus

The company provides for a long-term service bonus covering eligible employees, under which an eligible bonus payment is paid to vested employees based on the conditions provided in the company's policy from time to time. The company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each balance sheet date by an Independent Actuary.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the balance sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

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3.13 Leases

The Company has adopted Ind AS 116, effective April 1, 2018 (transition date) and applied it to all lease contracts existing on that date using the full retrospective method. At inception of a contract, the Company assesses whether 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.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under A purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal Period if the company is reasonably certain to exercise an extension option, and penalties for early termination of A lease unless the company is reasonably certain Not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets separately on the face of the balance sheet and lease liability under other financial liabilities.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for shorter leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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3.14 Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

iii. Minimum Alternate Tax ("MAT")

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

3.15 Business combinations

In accordance with Ind AS 103, the Company accounts for these business combinations (other than those arising from common control) using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exist clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Business combination arising from transfer of interests from entities under common control are accounted for as if the acquisition has occurred at beginning of the earliest comparative period or, if later, at the date that common control established; for this purpose comparative period of revised. The assets and liabilities are recognized at their carrying amounts. The identity of the reserves are preserved and they appear in the same form.

3.16 Cash and cash equivalents

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

3.17 Segment reporting- Identification of segments:

An operating segment is a component of the Company that engages in business activities from which it many earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.





3.18 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

3.19 Provisions

Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

3.21 Recent Accounting Pronouncements

There are no amendments to the accounting policies notified by MCA which are applicable for the period commencing on/after April 01, 2024.

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4 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	235.12	128.54
Balances with banks		
- in current accounts	17,716.42	5,501.77
- in deposit accounts (Original maturity less than three months)	7,000.00	2,200.00
Total	**24,951.54**	**7,830.30**

Note: Balance with Banks in current accounts includes balance in Cash Credit accounts with banks.

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Deposit accounts under lien*	11,695.70	9,407.23
Deposit accounts without lien	932.21	14.91
Total	**12,627.92**	**9,422.14**

***Note:**

(i) Fixed deposit includes cash collateral amounting to Rs. 4546.66 lakhs (March 31, 2023 : Rs. 3525.37 Lakhs) for securitisation transactions.

(ii) Balance fixed deposits other than those mentioned above has been provided as security for loans taken by the company.

6 Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	382.26	636.30
Less: Impairment loss allowance	-	-
Total	**382.26**	**636.30**

Receivables ageing schedule as on March 31, 2024

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i) Undisputed – considered good	300.65	35.89	33.88	11.84	382.26
(ii) Undisputed – have significant credit risk	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-
(v) Disputed – have significant credit risk	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-
Total	**300.65**	**35.89**	**33.88**	**11.84**	**382.26**

Receivables ageing schedule as on March 31, 2023

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i) Undisputed – considered good	605.73	16.97	13.23	0.37	636.30
(ii) Undisputed – have significant credit risk	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-
(v) Disputed – have significant credit risk	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-
Total	**605.73**	**16.97**	**13.23**	**0.37**	**636.30**

7 Loans

At Amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
A Based on nature		
Term Loans		
Gross term loans	1,83,982.46	1,63,251.54
Less: Impairment loss allowance**	(4,448.75)	(3,610.04)
Net term loans	**1,79,533.70**	**1,59,641.50**
B Based on security		
Secured by tangible assets*	967.51	932.03
Unsecured	1,83,014.94	1,62,319.51
Gross term loans	**1,83,982.46**	**1,63,251.54**
Less: Impairment loss allowance	(4,448.75)	(3,610.04)
Net term loans	**1,79,533.70**	**1,59,641.50**

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7 Loans (continued)

C Based on region

Loans in India		
Public sector	-	-
Others	1,83,982.46	1,63,251.54
Less: Impairment loss allowance	(4,448.75)	(3,610.04)
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Net term loans	**1,79,533.70**	**1,59,641.50**
Note:		
Percentage of loan against gold jewellery to gross term loans	0.53%	0.57%

*Secured exposures are secured wholly by pledge of gold jewellery

** Refer Note 72

8 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
At Fair Value through P&L		
Investment in Mutual Fund Liquid fund	81.21	75.00
At Amortised Cost		
Investment in Associate*		
Saija Finance Private Limited (refer note 74)	-	-
Total Investments	**81.21**	**75.00**
(i) Investments outside India	-	-
(ii) Investments in India	81.21	75.00
Total Investments	**81.21**	**75.00**

9 Other financial assets

Unsecured, considered good (At Amortised Cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	193.12	212.06
Unbilled revenue	332.61	90.17
Employee advances	67.01	48.15
Advances given under the business correspondence arrangement	-	8.45
Other's	499.36	629.25
Total	**1,092.10**	**988.08**

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10 Property, plant and equipment

Particulars	Computers and Accessories	Furniture and fittings	Vehicles	Office equipment	Leasehold improvements	Total
As at March 31, 2022	**486.95**	**31.98**	**0.95**	**433.45**	**392.58**	**1,345.91**
Cost						
On acquisition of Saija Finance (also refer note 74)	22.01	10.69	-	34.05	5.65	72.40
Additions	28.70	0.98	-	76.81	-	106.48
Deletions	(1.33)	-	-	(1.84)	-	(3.17)
As at March 31, 2023	**536.32**	**43.65**	**0.95**	**542.47**	**398.23**	**1,521.63**
Additions	213.75	2.08	-	128.71	78.28	422.82
Deletions	(0.75)	(0.34)	-	(2.60)	-	(3.69)
As at March 31, 2024	**749.32**	**45.40**	**0.95**	**668.58**	**476.51**	**1,940.76**
Accumulated depreciation						
As at March 31, 2022	**236.56**	**21.46**	**0.71**	**296.35**	**228.40**	**783.48**
Depreciation for the period	161.67	1.33	0.03	72.33	41.04	276.40
Deletion	(0.40)	-	-	(0.49)	-	(0.89)
As at March 31, 2023	**397.83**	**22.79**	**0.74**	**368.19**	**269.44**	**1,058.99**
Depreciation for the year	142.19	2.97	0.02	94.30	42.20	281.68
Deletion	-	-	-	-	-	-
As at March 31, 2024	**540.02**	**25.76**	**0.76**	**462.50**	**311.64**	**1,340.67**
Carrying amount (net)						
As at March 31, 2023	**138.50**	**20.86**	**0.21**	**174.27**	**128.80**	**462.64**
As at March 31, 2024	**209.30**	**19.63**	**0.19**	**206.08**	**164.88**	**600.09**

Note - None of the assets have been revalued during the year

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10A Intangible Assets

Particulars	Goodwill	Other intangible assets				
		Internally Generated Software	Branch Distribution Network	Customer Contract	Computer Software	Total
As at March 31, 2022	**191.04**	-	-	**853.17**	**573.76**	**1,426.93**
Cost						
On acquisition of Saija Finance (also refer note 74)	18.24	-	2,221.00	-	42.80	2,263.80
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2023	**209.28**	-	**2,221.00**	**853.17**	**616.56**	**3,690.73**
Additions	0.95	139.08	-	-	-	139.08
Adjustment*	17.65	-	-	-	(17.65)	(17.65)
Deletions	-	-	-	-	-	-
As at March 31, 2024	**227.88**	**139.08**	**2,221.00**	**853.17**	**598.91**	**3,812.16**
Accumulated amortisation						
As at March 31, 2022	-	-	-	**542.98**	**230.34**	**773.32**
Amortisation for the period	-	-	87.30	225.74	27.80	340.84
Deletion	-	-	-	-	-	-
As at March 31, 2023	-	-	**87.30**	**768.72**	**258.14**	**1,114.16**
Amortisation for the year	-	15.55	444.20	84.45	275.45	819.65
Deletion		-	-	-		-
As at March 31, 2024	-	**15.55**	**531.50**	**853.17**	**533.59**	**1,933.81**
Carrying amount (net)						
As at March 31, 2023	**209.28**	-	**2,133.70**	**84.45**	**358.42**	**2,576.57**
As at March 31, 2024	**227.88**	**123.53**	**1,689.50**	**0.00**	**65.32**	**1,878.35**

Note - None of the assets have been revalued during the year. Also refer Note 74

* Regrouping done from Computer Software to Goodwill

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10B Right of use assets ('ROUA')

Particulars	Office premises
Gross block value	
As at March 31, 2022	**1,247.75**
Additions	103.81
Deletions	-
As at March 31, 2023	**1,351.56**
Additions	688.78
Deletions	-
As at March 31, 2024	**2,040.34**
Accumulated depreciation	
As at 31st March , 2022	**584.40**
Depreciation for the period	179.69
Deletion	-
As at March 31, 2023	**764.09**
Depreciation for the period	202.86
Deletion	-
As at March 31, 2024	**966.94**
Carrying amount (net)	
As at March 31, 2023	**587.47**
As at March 31, 2024	**1,073.39**

10C Intangible asset under development

Particulars	As at March 31, 2024
Opening balance	-
Add: Cost incurred during the year	198.13
Less: The amount capitalised during the year	139.08
Closing balance	**59.05**

Ageing

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	59.05	-	-	-	**59.05**
Projects temporarily suspended	-	-	-	-	-
Total	**59.05**	-	-	-	**59.05**

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11 Other non-financial assets (At Amortised Cost)

Unsecured, Considered Good.

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with government authorities	700.35	904.25
Prepaid expenses**	338.24	360.23
Advance to vendors	57.70	168.56
Total	**1,096.30**	**1,433.04**

** The Prepaid expenses includes the amount paid for due diligence fees towards equity raise, which is expected to be completed in the next financial year.

12 Derivative financial instruments

Particulars	As at March 31, 2024	As at March 31, 2023
Currency derivatives		
Cross currency interest rate swaps	815.68	19.67
Cross currency swaps	171.83	-
Total	**987.51**	**19.67**

13 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterpı	515.55	417.89
Total	**515.55**	**417.89**
Out of the aforesaid payable, dues to related parties and other parties are as under:		
(a) To related parties (Refer Note 40)	-	-
(b) Other than related parties	515.55	417.89
Total	**515.55**	**417.89**

13 Trade payables ageing schedule as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	515.55	-	-	-	515.55
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**515.55**	-	-	-	**515.55**

13 Trade payables ageing schedule as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	412.44	5.38	0.06	-	417.89
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**412.44**	**5.38**	**0.06**	-	**417.89**

14 Debt securities

Particulars	Reference	As at March 31, 2024	As at March 31, 2023
At amortised cost:			
Secured debentures			
Redeemable, non-convertible debentures			
- from others	(A)	38,696.51	17,976.33
- from related parties	(B)	97.51	5,137.17
Unsecured debentures			
Redeemable, non-convertible debentures (Unsecured)	(C)	2,197.86	794.96
Commercial Paper	(D)		
- from related parties		-	-
- from others		-	2,259.59
Total		**40,991.88**	**26,168.06**
Debt securities in India		40,991.88	26,168.06
Debt securities outside India		-	-
Subtotal		**40,991.88**	**26,168.06**

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14 Debt securities (continued)

(A) Debt securities - Secured - Redeemable non-convertible debentures (NCDs) - Others

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor (years)	As at March 31, 2024	As at March 31, 2023
-7027 units (March 31, 2023 : 2066 units) redeemable non-convertible debentures of INR 1 lakhs each	Unlisted	12.5% - 18.5%	Bullet principal + Monthly interest	2-4 years	7,985.64	2,132.39
-20000 units (March 31, 2023: 0) redeemable non-convertible debentures of	Listed	14.75%	Bullet principal + Monthly interest	3 Years	2,813.88	-
-100 units (March 31, 2023 :100 units) redeemable non-convertible debentures of INR 10 lakhs each	Listed	15.00%	Bullet principal + Monthly interest	3 Years	1,004.07	1,002.47
-24 units (March 31, 2023: 25) redeemable non-convertible debentures of INR 1 crore each	Unlisted	13.5% - 15%	Monthly principal + interest	2 - 2.5 Years	2,403.33	2,333.33
-614 units (March 31, 2023 :614 units) redeemable non-convertible debentures of INR 10 lakhs each	Listed	11.00%	Bullet principal + Quarterly interest	3.5 Years	6,143.70	6,140.00
-6600000 units (March 31, 2023: 6600000) redeemable non-convertible debentures of INR 100 each	Unlisted	13.50%	Bullet principal + Quarterly interest	3.76 Years	6,678.57	6,670.30
-12011 units (March 31, 2023 : 0 units) redeemable non-convertible debentures of INR 1 lakhs each	Listed	13.60%	Bullet principal + Quarterly interest	3.79 Years	12,149.74	-
Less : Unamortised Processing Fees					(482.42)	(302.17)
Total					**38,696.51**	**17,976.33**

(B) Debt securities - Secured - Redeemable non-convertible debentures (NCDs) from Related Parties

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2024	As at March 31, 2023
-90 units (March 31, 2023 : 2160 units) redeemable non-convertible debentures of INR 1 lakhs each	Unlisted	12.5% - 13%	Bullet principal + Monthly interest	3 Years	97.51	2,702.74
- 0 units (March 31, 2023: 20000) redeemable non-convertible debentures of INR 10 thousands each	Listed	14.75%	Bullet principal + interest	3 Years	-	2,518.07
Less : Unamortised Processing Fees					-	(83.64)
Total					**97.51**	**5,137.17**

Notes:

a) NCDs are secured by specific charge on loans in favour of the Trustee for the benefit of the debenture holders. The Company needs to maintain 1 to 1.2 times of security cover for the outstanding NCDs at any point of time.

b) Interest for the above NCDs are payable on monthly/quarterly/half yearly / yearly basis.

14 Debt securities (continued)

(C) Debt securities - Unsecured - Redeemable non-convertible debentures

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2024	As at March 31, 2023
40,00,000 units (March 31, 2023: 80,00,000 units) redeemable non-convertible debentures of INR 10 each	Unlisted	13.71%	Bullet principal + Quarterly interest	5 Years	401.19	800.00
- 180 units (March 31, 2023 - 0 units) redeemable non-convertible debentures of INR 10,00,000/- each	Unlisted	14.50%	Bullet principal + Monthly interest	3 Years	1,807.87	-
Less: Unamortised processing fees					(11.20)	(5.04)
Total					**2,197.86**	**794.96**

(D) Short Term Commercial Paper:

Name of the lender	Listed/Unlisted	Rate of Interest	Repayment Type	Tenor (months)	As at March 31, 2024	As at March 31, 2023
Others	Unlisted	11.10%	Bullet Repayment	3	-	2,300.00
Less: Discount on CP					-	(40.41)
Total					-	**2,259.59**

Notes:

a) The principal repayment for all the unsecured NCDs and CPs is on the date of maturity or upon exercise of put / call option as applicable respectively.

15 Borrowings (Other than debt securities) (also refer note 4)

Particulars	Reference	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost			
Secured borrowings			
Term Loan from banks	(A)	43,889.94	29,525.27
Term Loan from others	(B)	32,658.86	30,035.53
Term Loan from Related parties	(C)	-	10,444.04
Securitization borrowings	(D)	25,992.89	35,722.03
External commercial borrowings	(E)	25,391.98	7,130.15
Loan repayable on demand	(F)		
from banks		929.45	894.50
from related parties		1,716.67	3,978.52
Total		**1,30,579.80**	**1,17,730.04**
Borrowings in India		1,05,187.82	1,10,599.90
Borrowings outside India		25,391.98	7,130.15
Subtotal		**1,30,579.80**	**1,17,730.04**

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15 Borrowings (Other than debt securities) (continued)

A) Term Loans from Banks:

Repayment Type	Rate of	Tenor (years)	As at March 31, 2024	As at March 31, 2023
Monthly principal+Interest	14.25%	3 Years and 3 Months	-	82.70
Bullet (One time)	14.00%	6 Years and 11 Months	1,943.48	2,140.54
Monthly principal+Interest	14.00%	2 Years	610.55	1,334.34
Monthly principal+Interest	13.75%	2 Years	1,407.42	-
Monthly principal+Interest	13.00%	3 Years to 3Years and 12Months	6,600.32	3,758.79
Monthly principal+Interest	12.80%	2 Years	581.35	1,583.89
Quarterly Principal+Quarterly Interest	12.50%	2 Years	1,331.81	-
Quarterly Principal+Monthly Interest	12.45%	2Years9Months to 4Years and 3Months	24,248.17	16,249.33
Quarterly Principal+Monthly Interest	12.25%	3 Years	919.82	1,837.19
Quarterly Principal+Monthly Interest	12.10% to 11.75%	2 years & 6 Months to 3 years	1,515.55	1,294.65
Monthly principal+Interest	12.00%	2 years 2 Months	1,416.39	-
Monthly principal+Interest	12.00%	2 years	1,400.00	-
Quarterly Principal+Monthly Interest	11.85%	3 Years and 11 Months	-	704.04
Monthly principal+Interest	11.75%	3 Years	2,282.46	-
Monthly principal+Interest	10.75%	3 Years and 3 Months	-	804.31
Less: Unamortised Processing fees			(367.37)	(264.52)
Total			**43,889.94**	**29,525.27**

Notes:

a) All the above borrowings are secured by specific charge on the company's Loan assets . The Company needs to maintain a security cover ranging from 1.1 to 1.33 times of the outstanding amount at any point of time. Further, the Company has given cash collateral amounting to INR 5183.63 lakhs (March 31, 2023: INR 4160.79 lakhs) for the borrowings undertaken.

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15 **Borrowings (Other than debt securities) (continued)**

B) **Term Loans from others:**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2024	As at March 31, 2023
Monthly principal+Interest	14.60%	2 Years	1,239.47	1,947.15
Monthly principal+Interest	14.20% to 14.50%	3 Years	2,844.91	5,550.29
Monthly principal+Interest	13.50%	2 Years	814.30	1,514.48
Quarterly Principal+Monthly Int	14.75%	2 Years	514.24	1,840.25
Monthly principal+Interest	13.25%	2 Years	412.84	1,160.99
Monthly principal+Interest	14.25%	3 Years	389.67	1,281.16
Monthly principal+Interest	15.00%	3 Years and 1	-	953.00
Monthly principal+Interest	12.26%	3 Years	-	386.49
Monthly principal+Interest	13.50% to 15.00%	2 Years and 2 years and 5 Months	937.91	1,439.09
Monthly principal+Interest	14.00%	2 Years	-	83.56
Monthly principal+Interest	14.00%	2 Years and 1 Months	328.00	832.00
Monthly principal+Interest	14.20%	3 Years	854.56	1,772.12
Monthly principal+Interest	15.00%	1 Year and 12 Months	-	47.85
Monthly principal+Interest	15.00%	2 Years	71.49	579.66
Monthly principal+Interest	13.20%	1 Year and 12 Months	-	116.29
Monthly principal+Interest	13.15% to 14.50%	2 Years	468.08	610.08
Monthly principal+Interest	13.35%	2 Years	631.34	363.62
Monthly principal+Interest	13.00%	1 Year and 6 Months	417.37	1,000.00
Monthly principal+Interest	13.00%	1 Year and 12 Months	-	-
Monthly principal+Interest	13.50% to 14.25%	2 Years	1,512.36	306.39
Monthly principal+Interest	14.00%	2 Years to 3 Years	186.43	184.15
Monthly principal+Interest	14.00%	1 Year and 12 Months	-	534.80
Monthly principal+Interest	13.50%	2 Years	832.00	1,000.00
Monthly principal+Interest	13.50%	2 Years	-	332.00
Monthly principal+Interest	12.75%	2 Years	2,516.56	2,134.67
Monthly principal+Interest	14.50%	3 Years	220.45	398.71
Monthly principal+Interest	12.50% to 14.90%	2 Years	3,002.41	3,925.78
Monthly principal+Interest	14.50%	2 Years	670.90	-
Monthly principal+Interest	13.50%	2 years	1,130.08	-
Monthly principal+Interest & Quarterly Principal+Monthly Interest	13.25% to 15.95%	2 Years to 3 Years	5,106.08	-
Monthly principal+Interest	12.50%	2 Years 3 Months	890.72	-
Monthly principal+Interest	13.25%	2 Years	1,767.45	-
Monthly principal+Interest	13.00%	1 Year 6 Months	583.80	-
Monthly principal+Interest	11.00%	2 Years	4,501.36	-
Less: Unamortised processing fees			(185.91)	(259.05)
Total			**32,658.86**	**30,035.53**

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15 Borrowings (Other than debt securities) (continued)

Notes:

a) All the above borrowings are secured by specific charge on the company's loan assets . The Company needs to maintain a security cover ranging from 1.05 to 1.25 times of the outstanding loan amount at any point of time.Further, the Company has given cash collateral amounting to INR 396.56 lakhs (March 31, 2023: INR 392.54 lakhs) for the borrowings undertaken.

C) Term Loans from related parties:

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2024	As at March 31, 2023
Monthly principal and Monthly Interest	13% - 15.5%	2.01 to 3.03 Years	-	10,539.63
Less: Unamortised processing fees			-	(95.59)
Total			-	**10,444.04**

(D) Securitization borrowings

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2024	As at March 31, 2023
Monthly Principal + Interest	11% to 12%	1-2 Years	4,979.25	4,333.79
Monthly Principal + Interest	12% to 13%	1-2 Years	7,310.96	2,012.82
Monthly Principal + Interest	13% to 14%	1-2 Years	13,784.77	29,673.26
Less: Unamortised Processing Fee			(82.08)	(297.84)
Total			**25,992.90**	**35,722.03**

(E) External Commercial Borrowings

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2024	As at March 31, 2023
Bullet principal + Quarterly interest	11.79%	3	-	2,250.94
Bullet principal + Quarterly interest	11.79%	3	-	4,957.71
Bullet principal + Half-yearly interest	12.65%	3	4,313.98	-
Bullet principal + Half-yearly interest	12.59%	4	6,045.64	-
Bullet principal + Half-yearly interest	12.45%	5	15,360.62	-
Less: Unamortised processing fees			(328.26)	(78.50)
Total			**25,391.98**	**7,130.15**

Notes:

a) All the above loans are secured by specific charge on loans.

b) Interest rates are floating and are payable on a quarterly and half-yearly basis. The interest rates disclosed above represent the rates of interest as at March 31, 2024. The company has further hedged this interest risk.

(F) Loan repayable on demand:

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2024	As at March 31, 2023
From Bank				
Bullet principal + Monthly interest	11.00%	1	929.45	849.05
Bullet principal + Monthly interest	11.65%	1	-	45.45
			929.45	**894.50**
From Related Parties				
Payment on Demand	14.00%	0.5 to 1 year	-	430.89
Payment on Demand	12.00%	1	1,590.53	3,472.63
Payment on Demand	12.00%	1	126.15	75.00
			1,716.67	**3,978.52**
Total			**2,646.12**	**4,873.02**

Notes:

a) All the above borrowings from banks are secured by specific charge on the company's loan assets and cash collateral. The company needs to maintain a security cover 1.25 times of the outstanding amount at any point of time. Further, the company has given cash collateral amounting to INR 562.79 lakhs (March 31, 2023: INR 529.23 lakhs).

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15a Subordinated Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Debentures	45.00	271.00
Subordinated Term Loan from banks	1,999.80	2,030.91
Subordinated Term Loan from others	5,741.35	-
0.001% Compulsorily convertible cumulative preference shares*	-	3,183.51
Total	**7,786.15**	**5,485.43**
Subordinated Liabilities in India	7,786.15	5,485.43
Subordinated Liabilities outside India	-	-
Subtotal	**7,786.15**	**5,485.43**

Particulars	Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2024	As at March 31, 2023
Unsecured Debentures					
-450,000 units (March 31, 2023: 2,710,000 units) non-convertible debentures of INR 10 each	Bullet principal + Monthly Interest	12.5% - 18.5%	5 years	45.00	271.00
Subordinated term loans					
From banks	Bullet principal + Monthly Interest	16% - 16.5%	7 years	2,000.00	2,031.99
From others	Bullet principal + Monthly Interest	15.25%	6 years	1,502.51	-
	Half-yearly principal + Half yearly interest	14.90%	7 years	4,308.10	-
Compulsorily convertible cumulative preference shares					
0.001% Compulsorily convertible cumulative preference shares*	-	14.00%	1.5 Years	-	3,183.51
Less: Unamortised processing fees				(69.46)	(1.08)
Total				**7,786.15**	**5,485.43**

Notes:

The Company has not classified any of its Subordinated Liabilities as immediately due during the year as there was no breach of covenants during the year.

*0.001% Compulsorily convertible cumulative preference shares are reclassified under **'Instruments entirely equity in nature'** in the current financial year. Also refer note 19A

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16 Other financial liabilities (At Amortised Cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to assignees towards collections in assigned assets-securitization	3,764.52	1,137.10
Lease liabilities*	1,260.89	816.67
Other payable	1,329.05	3,912.33
Total	**6,354.46**	**5,866.10**

*Refer Note - 42 for Movement of Lease Liability.

17 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for guarantee	76.53	37.42
Provision for gratuity (also refer note 38)	168.22	219.43
Provision for leave encashment (also refer note 38)	219.07	188.18
Provision for service tax liability	18.75	18.75
Total	**482.56**	**463.77**

18 Other non-financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	314.85	354.14
Total	**314.85**	**354.14**

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19 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
11,900,000 (March 31, 2023: 11,900,000) equity shares of INR 100 each	11,900.00	11,900.00
4,000,000 (March 31, 2023: 4,000,000) 0.001 compulsorily convertible cumulative preference shares of INR 100 each	4,000.00	4,000.00
	15,900.00	**15,900.00**
Issued, subscribed and fully paid up		
Equity shares:		
10,887,144 (March 31, 2023: 10,887,144) equity shares of INR 100 each	10,887.14	10,887.14
	10,887.14	**10,887.14**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount in Lakhs of INR	Number of shares	Amount in Lakhs of INR
Equity shares of INR 100 each				
As at beginning of the year	1,08,87,144	10,887.14	1,08,87,144	10,887.14
Shares issued	-	-	-	-
As at the end of the year	**1,08,87,144**	**10,887.14**	**1,08,87,144**	**10,887.14**

Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As on 31st March 2024	As on 31st March 2023	As on 31st March 2022	As on 31st March 2021	As on 31st March 2020
	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-

Statement of changes in equity

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As on 31st March 2024					
Equity share capital	1,08,87,144	-	1,08,87,144	-	1,08,87,144
As on 31st March 2023					
Equity share capital	1,08,87,144	-	1,08,87,144	-	1,08,87,144

Rights, preferences and restrictions attached to equity share

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and shares in the Company's residual assets. In the case of partly paid-up shares, dividend rights are proportionate to amounts paid up on the face value of shares. The equity shares are entitled to receive dividends as declared from time to time, subject to payment of dividends to preference shareholders. Dividends are paid in Indian Rupees. The dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of an interim dividend. The voting rights of an equity shareholder on a poll (not on the show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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19 Equity share capital (Continued)

Rights, preferences and restrictions attached to compulsorily convertible preference shares

Each Compulsorily convertible cumulative preference share is convertible by its holder into one equity share. The holders of these shares are entitled to a cumulative dividend of 0.001%.

Preference shares carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the company directly affecting their rights. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid up and dividend in arrears on such shares.

The Company has not issued any shares without payment being received in cash in the last 5 years immediately preceding the Balance sheet date.

Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of total shares in class	Number of shares	% of total shares in class
Dvara Holdings- Trustee of Dvara Trust	34,96,583	32.12%	34,96,583	32.12%
Leapfrog Financial Inclusion India (II) Limited	25,08,105	23.04%	25,08,105	23.04%
Accion Africa-Asia Investment Company	23,64,896	21.72%	23,64,896	21.72%
Nordic Microfinance Initiative Fund IV KS	18,39,248	16.89%	18,39,248	16.89%
Stakeboat Capital Fund–I	6,56,874	6.03%	6,56,874	6.03%

Also refer note 39 in relation to ESOP.

Shareholding of promoters

Shares held by promoters As at March 31, 2024

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Dvara Holdings (Trustee of Dvara Trust)	34,96,583	32.12%	0%
	Total	34,96,583	32.12%	0%

Shares held by promoters at 31st March 2023

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Dvara Holdings (Trustee of Dvara Trust)	34,96,583	32.12%	0%
	Total	34,96,583	32.12%	0%

19A Instruments entirely equity in nature

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (INR-Lakhs)	Number of shares	Amount (INR-Lakhs)
Equity shares of INR 100 each				
Series 1 Compulsory convertible preference shares (Rs 100 each)	7,79,333	3,584.93	-	-
As at the end of the year	**7,79,333**	**3,584.93**	-	-
Total Instruments entirely equity in nature	7,79,333	3,584.93		

Issue of Series 1 CCPS

Details of holders more than 5%	Number	% of shareholdings	Amount
Accion Africa-Asia Investment Company	3,55,165	45.57%	1,633.76
Nordic Microfinance Initiative Fund IV KS	2,62,918	33.74%	1,209.42
Dvara Holdings	1,61,250	20.69%	741.75
	7,79,333		**3,584.93**

The company has issued 5,10,871, 0.001% Compulsorily convertible cumulative preference shares of Rs.100 each (Series 1 CCPS) at a premium of Rs.360 on 19 September 2022, carrying a coupon of 14% cumulating annually and 1,41,305, 0.001% Compulsorily convertible cumulative preference shares of Rs.100 each (Series 1 CCPS) at a premium of Rs.360 on 16 March 2023, carrying a coupon of 14% cumulating annually.

Convertible preference shares (CCPS) 6,52,176 CCPS of face value of INR 100/- each held by Accion Africa-Asia Investment Company ('Accion'), Abler Nordic Fund IV KS (Formerly known as Nordic Microfinance Fund IV KS) ('Nordic'), and Dvara Holdings in their respective proportion to 7,79,333 Equity Shares of face value of INR 100/- each including 1,27,157 equity shares will get converted in April 13 2024 on account of coupon accrual.

The outstanding CCPS shall be converted at a conversion ratio of 1:1 i.e., 1 equity share for every 1 CCPS held and the CCPs holders shall be and hereby issued equity shares for the total accrued coupon rate (14%) from the date of allotment of the CCPS to the Coupon End Date.

In accordance with the shareholders' agreement, the instrument was scheduled for conversion during FY 2023-24. The shareholders provided conversion notice to the company for conversion prior to March 31, 2024. Subsequent to receipt of the notice, the instrument has relinquished its classification as a liability because the number of shares and consideration is fixed.

20 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
a) Capital reserves	1,329.46	1,329.46
b) Securities premium account	35,504.84	35,504.84
c) Employee stock option outstanding account (also refer note 39)	206.70	409.76
d) Statutory reserves	2,496.78	1,546.19
e) Retained earnings (Surplus / Deficit in Statement of Profit and Loss)	(14,558.67)	(18,275.65)
f) General Reserve	166.71	-
g) Other comprehensive income	(857.49)	(152.64)
Balance at the end of the year	**24,288.33**	**20,361.95**

Particulars	As at March 31, 2024	As at March 31, 2023
a) Capital Reserves		
At the commencement of the year	1,329.46	1,329.46
Balance at the end of the year	**1,329.46**	**1,329.46**
b) Securities premium account		
Balance at the beginning of the year	35,504.84	35,504.84
Balance at the end of the year	**35,504.84**	**35,504.84**
c) Employee stock option outstanding account		
Balance at the beginning of the year	409.76	292.06
Add: Share based payment expense for the year	(36.34)	117.70
Less: Transferred to General Reserve	(166.71)	-
Balance at the end of the year	**206.70**	**409.76**
d) Statutory reserves		
(As per Section 45-IC of Reserve Bank of India Act, 1934)		
Balance at the beginning of the year	1,546.19	1,258.94
Add: Amount transferred from surplus in statement of profit and loss*	950.59	287.25
Balance at the end of the year	**2,496.78**	**1,546.19**

*20% of profit after tax for the year has been transferred based on the provisions of the Reserve Bank of India Act, 1934.

e) Retained earnings (Surplus / Deficit in Statement of Profit and Loss)		
Balance at the beginning of the year	(18,275.65)	(19,368.01)
Add: Profit for the year	4,752.95	1,436.25
Less: Transferred to statutory reserve	(950.59)	(287.25)
Less: Transfer from other comprehensive income	(85.39)	(56.63)
Balance at the end of the year	**(14,558.67)**	**(18,275.65)**
f) General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from employee stock option outstanding account	166.71	-
Balance at the end of the year	**166.71**	**-**
g) Other comprehensive income		
Balance at the beginning of the year	(152.64)	(64.91)
Add: Remeasurements of defined benefit asset/ (liability)	(85.39)	(56.63)
Less : Cash flow hedge reserve	(704.84)	(87.73)
Less: Transfer to retained earnings	85.39	56.63
Balance at the end of the year	**(857.49)**	**(152.64)**
Total (a+b+c+d+e+f)	**24,288.33**	**20,361.95**

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20 Other Equity (continued)

Statement of changes in equity

(2) Current reporting period

Particulars	Reserves and Surplus					Employee stock option outstanding account	Other comprehensive income	Total
	Capital reserves	Securities Premium	Statutory reserves	Retained earnings	General Reserve			
Balance at the beginning of the current reporting period	1,329.46	35,504.84	1,546.19	(18,275.65)	-	409.76	(152.64)	20,361.95
Changes in accounting policy /prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,329.46	35,504.84	1,546.19	(18,275.65)	-	409.76	(152.64)	20,361.95
Total Comprehensive Income for the current year	-	-	-	(85.39)	-	-	-	(85.39)
Profit for the year	-	-	-	4,752.95	-	-	-	4,752.95
Transfer from / to retained earnings	-	-	950.59	(950.59)	-	-	(85.39)	(85.39)
Share based payment expense for the year	-	-	-	-	-	(36.34)	-	(36.34)
Transfer from employee stock option outstanding account	-	-	-	-	166.71	(166.71)	-	-
Cash flow hedge reserve	-	-	-	-	-	-	(704.84)	(704.84)
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	85.39	85.39
Balance at the end of the current reporting period	**1,329.46**	**35,504.84**	**2,496.78**	**(14,558.67)**	**166.71**	**206.70**	**(857.49)**	**24,288.33**

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20 Other Equity (continued)

(2) Previous reporting period

Particulars	Reserves and Surplus					Employee stock option outstanding	Other comprehensive income	Total
	Capital reserves	Securities Premium	Statutory reserves	Retained earnings	General Reserve			
Balance at the beginning of the current reporting period	1,329.46	35,504.84	1,258.94	(19,368.01)	-	292.06	(64.91)	18,952.37
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,329.46	35,504.84	1,258.94	(19,368.01)	-	292.06	(64.91)	18,952.37
Total Comprehensive Income for the current reporting year	-	-	-	(56.63)	-	-	-	(56.63)
Profit for the current reporting year	-	-	-	1,436.25	-	-	-	1,436.25
Transfer from / to retained earnings	-	-	287.25	(287.25)	-	-	56.63	56.63
Securities premium on issue of equity shares	-	-	-	-	-	-	-	-
Securities premium on issue of Preference shares		-			-			-
Share based payment expense for the current reporting year	-	-	-	-	-	117.70	-	117.70
Transfer from employee stock option outstanding account	-	-	-	-	-	-	-	-
Cash flow hedge reserve	-	-	-	-	-	-	(87.73)	(87.73)
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	(56.63)	(56.63)
Balance at the end of the current reporting period	**1,329.46**	**35,504.84**	**1,546.19**	**(18,275.65)**	**-**	**409.76**	**(152.64)**	**20,361.95**





20 Other Equity (continued)

Nature and purpose of reserve

a) Capital Reserves

Pursuant to scheme of arrangement approved by the NCLT on March 07, 2019, the company has created a capital reserve in accordance with the applicable accounting standards.

b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

c) Employee stock option outstanding

The share option outstanding account represents reserve in respect of equity-settled share options granted to the Company's employees in pursuance of the employee stock option plan. Please refer note 39 for further details of these plans.

d) General Reserve

The general reserve consists of transfers from the employee stock option outstanding reserve due to the forfeiture of vested share options granted to employees. The reserve can be utilized by the Company in accordance with the Companies Act, 2013.

e) Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act, 1934") (Statutory Reserve)

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

f) Retained earnings

Retained earnings is the accumulated available profit/loss of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

g) Other comprehensive income

a) Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

b) The Company has applied hedge accounting for designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity as cash flow hedge reserve.

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21 Interest income

(Interest income on financial assets measured at amortised cost)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
Interest income on loans to customers	33,527.46	29,706.91
Interest income on portfolio sale through assignment	6,129.70	1,401.15
Interest income from securitisation	11,282.98	4,055.39
Interest on fixed deposits*	745.91	378.59
Other interest income	633.37	11.17
Total	**52,319.42**	**35,553.21**

*Includes Rs. 566.36 lacs (Rs. 24.21 Pr Year)towards interest on margin money deposits placed to avail term loans from Banks, NBFC's & placed as cash collateral in connection with securitisations transactions.

22 Fees and commission income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fees income	76.44	123.36
Commission income	2,004.58	1,218.90
Total	**2,081.01**	**1,342.26**

23 Net gain on fair value changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on financial instruments at fair value through profit or loss (FVTPL)		
On trading portfolio		
Mutual fund investments at FVTPL	430.62	106.84
Total	**430.62**	**106.84**
Fair value changes		
Realised	424.41	106.84
Unrealised	6.22	-
Total	**430.62**	**106.84**

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24 Finance Costs

(Finance costs on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on borrowings		
- term loans from banks	4,675.03	2,408.00
- securitised portfolio	4,880.49	1,772.41
- term loans from others	5,026.61	4,919.14
- term loans from related parties	239.76	1,492.48
- external commercial borrowings	1,770.55	853.12
Interest on debt securities	3,772.01	2,790.77
Interest on Commercial Paper	335.16	217.77
Interest on Convertible Preference shares	401.42	183.51
Interest on Subordinated Liabilities	926.53	320.31
Interest on Cash Credit	77.67	87.67
Other interest expense	4.14	2.02
Amortisation of ancillary costs relating to borrowings	1,308.68	904.86
Interest expense on lease liabilities	24.27	107.17
Total	**23,442.32**	**16,059.24**

25 Fees and commission expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Commission expense	626.58	287.54
Commission to Saija	-	537.57
Recovery costs	39.24	23.53
Total	**665.82**	**848.64**

26 Impairment on financial instruments (at amortised cost)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment loss allowance on loans*	4,396.48	2,103.97
Bad debts written off	3,783.91	3,733.41
Total impairment of financial assets	**8,180.39**	**5,837.39**

*Impairment loss allowance on loan includes provision for guarantee (Refer Note 17)

27 Employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	10,210.24	8,175.84
Contribution to provident and other funds	1,013.87	691.51
Staff welfare expenses	195.26	166.38
Share based payments to employees #	(36.34)	117.70
Total	**11,383.02**	**9,151.44**

The employee stock option expenses became negative on account of forfeiture of options granted to resigned employees.

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28 Depreciation and amortization

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	281.68	276.40
Amortisation of intangible assets	819.65	367.12
Depreciation of right of use assets	202.86	179.69
Total	**1,304.18**	**823.20**

29 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	407.34	212.11
Electricity and water charges	83.34	59.50
Repairs and maintenance	32.53	12.72
Communication expenses	380.34	299.10
Printing and stationery	134.59	119.46
Auditor's fees and expenses (refer note 29.1)	55.29	55.06
Legal and professional charges	822.09	858.03
Insurance	276.04	208.78
Rates and taxes	221.58	203.12
Office maintenance	202.89	159.30
Travelling, conveyance and lodging	1,373.09	890.24
Corporate social responsibility expenses (refer note 29.2)	15.44	-
Technology fees	362.56	193.31
Other expenses	162.62	126.68
Total	**4,529.74**	**3,397.41**

29.1 Payments to auditor (excluding goods and services tax)

As auditor:	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	35.00	25.00
Tax audit	4.00	4.00
Limited review of half yearly results	15.00	25.00
In other capacity		
(i) Other services	0.55	0.75
(ii) Reimbursement of expenses	0.74	0.31
Total	**55.29**	**55.06**

29.2 Details of Corporate Social Responsibility expenditure

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Amount required to be spent by the Company during the year	15.44	-
(b) Amount of expenditure incurred during the year :		-
i) Construction / acquisition of any asset	-	
ii) On purposes other than (i) above	15.44	
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall,	-	-
(e) Reason for shortfall		
(f) Nature of CSR activities	*	
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

* The company donated 100 oxygen concentrators to public health centres and nursing homes. This initiative was launched during the second wave of COVID-19 to help communities and our customers at large, not just for COVID-19 emergencies but also for all health conditions that require oxygen support.





29.2 Details of Corporate Social Responsibility expenditure (continued)

Details of excess amounts spent carried forward for utilisation in future years:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	54.36	54.36
Amount required to be spent during the year	15.44	-
Amount spent during the year	-	-
Closing balance	38.92	54.36

Note:

There is no shortfall in the CSR amount required to be spent by the company as per section 135(5) of the Act for the financial year ended March 31, 2024.

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30 Income Tax

i Amounts recognized in profit or loss

The components of income tax expense for the period ended March 31, 2024 and March 31, 2023 are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax		
In respect of current year	1,420.75	-
In respect of previous years	-	-
	1,420.75	-
Deferred tax		
Attributable to–		
1) Origination and reversal of temporary timing	1,257.20	648.34
2) MAT credit entitlement	(424.52)	-
	832.68	**648.34**
Total tax charge	**2,253.43**	**648.34**

ii Income tax recognized in other comprehensive income

Re-measurements of the defined benefit plan		
Income tax relating to items that will not be reclassified to profit or loss relating to remeasurement of defined benefit plans.	(35.08)	(23.27)
Hedge reserve account		
Income tax relating to items that will be reclassified to profit or loss relating to remeasurement of hedge reserve account	(289.57)	(36.04)

iii Reconciliation of total tax expense

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	7,006.38	2,084.59
Applicable tax rate	29.12%	29.12%
Computed tax expense	**2,040.26**	**607.03**
Add:		
a. Non Deductible Expenses		
(i) Interest on delayed payment of Tax	0.04	-
(ii) CSR Expense	4.50	-
(iii) Employee stock option forfeited	48.55	
b. Others	160.09	41.31
c.Tax pertaining to earlier years	-	-
Current tax derived	**2,253.43**	**648.34**

iv Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

Particulars	As at March 31, 2022	Statement of profit and loss	OCI	As at March 31, 2023	Statement of profit and loss	OCI	As at March 31, 2024
Component of Deferred tax asset / (liability)							
1) Deferred tax asset / (liability) in relation to:							
a) Difference between written down value of fixed assets as per books of accounts and income tax	131.64	(87.67)	-	43.97	40.72	-	84.69
b) Provision for employee benefits	15.47	16.06	23.27	54.80	(89.88)	35.08	(0.00)
c) Provision for hedge reserve	(17.41)	17.41	36.04	36.04	(36.04)	289.57	289.57
d) Impairment on financial instruments	1,923.87	(872.63)	-	1,051.25	191.80	-	1,243.04
e) Unamortised processing fee income	(48.31)	28.65	-	(19.66)	(82.63)	-	(102.29)
f) Carryforward of business los	364.37	314.59	-	678.96	(678.96)	-	0.00
g) Others	-	162.73	-	162.73	(12.14)	-	150.59
2) MAT credit entitlement	514.92	-	-	514.92	424.52	-	939.44
3) Upfront income recognised on Direct Assignent transactions	(67.19)	(227.47)	-	(294.66)	(590.08)	-	(884.74)
Total	**2,817.38**	**(648.34)**	**59.31**	**2,228.34**	**(832.68)**	**324.65**	**1,720.31**

31 Earnings per share ('EPS')

Particulars	As at March 31, 2024	As at March 31, 2023
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	4,752.95	1,436.25
Net profit attributable to equity shareholders for calculation of diluted EPS	4,752.95	1,436.25
Shares		
(a) Equity shares at the beginning of the period	1,08,87,144	1,08,87,144
(b) Shares issued during the period	-	-
(c) Total number of equity shares outstanding at the end of the period	1,08,87,144	1,08,87,144
(d) Outstanding compulsorily convertible preference shares	7,79,333	2,75,938
(e)Weighted average number of equity shares outstanding during the year for calculation of basic EPS (c)+(d)	1,16,66,477	1,11,63,082
(f) Diluted effect of outstanding stock options	8,875	28,257
(g) Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	1,16,75,352	1,11,91,339
Face value per share	100.00	100.00
Earning per share		
Basic	40.74	12.87
Diluted	40.71	12.83

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32 Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	24,951.54	-	24,951.54	7,830.30	-	7,830.30
Bank balance other than cash and cash equivalents	10,418.90	2,209.01	12,627.92	7,702.77	1,719.36	9,422.14
Trade receivables	382.26	-	382.26	636.30		636.30
Loans	1,10,236.86	69,296.84	1,79,533.70	95,615.42	64,026.07	1,59,641.50
Investments	81.21	-	81.21	-	75.00	75.00
Other financial assets	893.13	198.97	1,092.10	804.10	183.98	988.08
Current tax assets (net)	-	1,449.04	1,449.04	-	1,663.51	1,663.51
Deferred tax assets (net)	-	1,720.31	1,720.31	-	2,228.35	2,228.35
Property, plant and equipment	-	600.09	600.09	-	462.64	462.64
Intangible asset under development	59.05	-	59.05	-	-	-
Goodwill	-	227.88	227.88	-	209.28	209.28
Other intangible assets	-	1,878.35	1,878.35	-	2,576.57	2,576.57
Right of Use Asset	105.92	967.47	1,073.39	199.39	388.08	587.47
Other non-financial assets	974.98	121.32	1,096.30	1,372.34	60.70	1,433.04
Total Assets	**1,48,103.86**	**78,669.30**	**2,26,773.15**	**1,14,160.63**	**73,593.54**	**1,87,754.17**
Liabilities						
Derivative financial instruments	987.51	-	987.51	19.67	-	19.67
Trade payables	-	-	-	-	-	-
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	515.55	-	515.55	417.89	-	417.89
Debt securities	13,479.44	27,512.44	40,991.88	4,570.87	21,597.19	26,168.06
Borrowings (Other than debt securities)	74,082.49	56,497.31	1,30,579.80	79,235.62	38,494.42	1,17,730.04
Subordinated Liabilities	749.04	7,037.11	7,786.15	291.92	5,193.51	5,485.43
Other financial liabilities	5,166.79	1,187.67	6,354.46	5,300.30	565.79	5,866.10
Provisions	73.79	408.77	482.56	65.11	398.66	463.77
Other non-financial liabilities	314.85	-	314.85	354.14		354.14
Total Liabilities	**95,369.46**	**92,643.29**	**1,88,012.75**	**90,255.51**	**66,249.57**	**1,56,505.09**
EQUITY						
Equity share capital	-	10,887.14	10,887.14	-	10,887.14	10,887.14
Instruments entirely equity in nature	-	3,584.93	3,584.93	-		-
Other equity	-	24,288.33	24,288.33	-	20,361.95	20,361.95
Total Equity	-	**38,760.40**	**38,760.40**	-	**31,249.09**	**31,249.09**
Total Liabilities & Equity	**95,369.46**	**1,31,403.69**	**2,26,773.15**	**90,255.51**	**97,498.66**	**1,87,754.17**

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33 Financial instrument

A Fair value measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions i.e., exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2024 were as

	Carrying amount		
Particulars	**Amortised cost**	**FVTPL**	**FVOCI**
Financial Assets:			
Cash and cash equivalents	24,951.54	-	-
Bank balance other than cash and cash equivalents	12,627.92	-	-
Receivables	382.26	-	-
Loans	1,79,533.70	-	-
Investments	-	81.21	-
Other financial assets	1,092.10	-	-
Total	**2,18,587.52**	**81.21**	**-**
Liabilities:			
Derivative financial instruments	-	-	987.51
Trade payables	515.55	-	-
Debt securities	40,991.88	-	-
Borrowings (Other than debt securities)	1,30,579.80	-	-
Subordinated Liabilities	7,786.15		
Other financial liabilities	6,354.46	-	-
Total	**1,86,227.84**	**-**	**987.51**

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2023 were as

	Carrying amount		
Particulars	**Amortised cost**	**FVTPL**	**FVOCI**
Assets:			
Cash and cash equivalents	7,830.30	-	-
Bank balance other than cash and cash equivalents	9,422.14	-	-
Receivables	636.30	-	-
Loans	1,59,641.50	-	-
Investments	-	75.00	-
Other financial assets	988.08	-	-
Total	**1,78,518.32**	**75.00**	**-**
Liabilities:			
Derivative financial instruments	-	-	19.67
Trade payables	417.89	-	-
Debt securities	26,168.06	-	-
Borrowings (Other than debt securities)	1,17,730.04	-	-
Subordinated Liabilities	5,485.43	-	-
Other financial liabilities	5,866.10	-	-
Total	**1,55,667.51**	**-**	**19.67**

Note:

Fair Value of Assets & Liabilities carried at Amortised Cost in the books are close to the Fair Value and hence are not separately disclosed.

34 Financial risk management objectives and policies

(a) The Company's principal financial liabilities comprise borrowings from banks, financial Institutions and issue of debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, investments and cash and cash equivalents that are derived directly from its operations.

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

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

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34 Financial risk management objectives and policies (continued)

(i) Credit risk

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

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

A. a) Loans

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

The Company's exposure to credit risk for loans by type of counterparty is as follows. All these exposures are within India.

Particulars	Carrying Amount	
	As at March 31, 2024	As at March 31, 2023
Term loans	1,83,982.46	1,63,251.54
Less: Impairment loss allowance**	(4,448.75)	(3,610.04)
Total	**1,79,533.70**	**1,59,641.50**

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

b) Staging:

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

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the life span of the instrument.

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

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 Days	Stage 1	12 months provision
31-90 Days	Stage 2	Lifetime provision
90+ Days	Stage 3	Lifetime provision
Loan assets classified as NPA based on the end of the day days past due (DPD) in line with RBI circular RBI/2021-22/125 DOR.STR. REC. 68/21.04.048/2021-22 dated November 12, 2021, till entire arrears of interest and principal are paid by the borrower.	Stage 3	Lifetime provision
Any loan account that is "death marked" in the system following the death of Borrower/ Co-Borrower who are insured through a Credit Life Insurance Policy cover, irrespective of DPD in that borrower account.	Stage 3	Lifetime provision

c) Grouping

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

1) North - JLG
2) North - MEL
3) North - Other Products
4) South - JLG
5) South - MEL
6) South - Other Products
7) East - JLG
8) East - MEL
9) East - Other Products
10) OTR





34 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

d) Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

i. Probability of default ("PD")
ii. Loss given default ("LGD")
iii. Exposure at default ("EAD")

i) Probability of default:

Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle. The base data for the PD framework considers a set of loan account numbers (having outstanding exposure) since Jan 2016 to Nov 2023. The observation period of 2016 to 2023 provides a sufficient history and covers various macroeconomic events and economic cycles.

ii) Loss given default

1) Loss Given Default ("LGD") is defined as the loss rate on the exposure, given the borrower has defaulted. LGD under Ind AS 109 for a facility is dependent upon the characteristics such as presence of collateral, recoveries, direct expenses, and degree of subordination.

2) The computation consists of following components, which are:

a) The recoveries (cash or noncash)
b) The costs (expenses made on the recoveries, The company has taken in this case to be 5% of the recovered amount)
c) the discount factor

3) The formula for the computation is as below:

$$LGD = \frac{EAD + (Expenses\ on\ recovery) - (PV\ of\ recoveries)}{EAD}$$

% Recovery rate = (discounted recovery amount + discounted estimated recovery) / (total POS)
% LGD = 1 – recovery rate

4)The Company has estimated the loss given default, as a weighted average of the LGD of all default cases including that of written off cases computed using the historical recovery experience.

For purpose of determining LGD the Company has considered all loans that are defaulted except those which got defaulted during the work out period (April 2023 to March 2024). An account level LGD has then been computed by deducting the discounted recoveries and adding the expenses on the discounted recovery to the amount of default. This is scaled up to a weighted average LGD for the entire portfolio. Recovery from each loan account is discounted using its own applicable rate of interest.

iii) Exposure at default

i) As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments.

ii) Exposure at default (EAD) is the extent of exposure on each account on the reporting date for Stage 1, 2 & 3 assets. EAD is computed as sum of Principal Outstanding &Accrued Interest (including any overdue interest). Exposure at default for Stage 1 and Stage 2 is adjusted using contracted cashflows to arrive at the Adjusted Exposure at default. No adjustments are made for exposure in Stage 3 as this exposure is already in default.

iii) The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument is subject to 12m ECL or Long term ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

e) ECL computation:

ECL at pool level was computed with the following method:
ECL for year (yet) = Adjusted EAD* PD (yet) * LGD (yet)
The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

Particulars	Provisions	As at March 31, 2024	As at March 31, 2023
Stage 1	12 month provision	1,000.53	345.36
Stage 2	Life time provision	208.16	484.74
Stage 3	Life time provision	3,240.06	2,779.94
Amount of expected credit loss provided for		**4,448.75**	**3,610.04**

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34 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

Also refer Note 73

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Reconciliation of ECL balance is given below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
ECL allowance - opening balance	**3,610.04**	**6,752.60**
Opening provision of Saija due to BTA	-	384.63
Addition during the year (net of reversals)	4,302.73	2,103.97
Addition during the year on account of Bad Debts	3,783.91	3,790.75
Write offs during the year	(7,247.93)	(9,421.91)
Closing provision of ECL	**4,448.75**	**3,610.04**

Also refer Note 73

Analysis of changes in the gross carrying amount of loans:

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,54,924.85**	**1,753.77**	**6,572.92**	**1,63,251.54**
New assets originated *	1,35,006.15	737.18	1,081.16	1,36,824.50
Asset derecognised or repaid	(1,07,594.99)	(982.20)	(268.46)	(1,08,845.65)
Movement Between Stages				
Transfer from stage 1	(6,891.06)	2,091.12	4,799.94	-
Transfer from stage 2	618.61	(1,071.97)	453.36	-
Transfer from stage 3	1,146.33	6.22	(1,152.55)	-
Write offs	(590.26)	(699.84)	(5,957.83)	(7,247.93)
As at the end of the year	**1,76,619.62**	**1,834.29**	**5,528.55**	**1,83,982.46**

* New assets originated are those assets which have originated during the year

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**91,636.96**	**6,033.40**	**10,004.62**	**1,07,674.98**
New assets originated *	1,28,722.21	855.74	968.41	1,30,546.36
Asset derecognised or repaid	(65,204.58)	(898.66)	555.35	(65,547.89)
Movement Between Stages				-
Transfer from stage 1	(4,530.58)	1,436.42	3,094.17	-
Transfer from stage 2	2,611.54	(5,653.98)	3,042.45	-
Transfer from stage 3	1,721.26	12.84	(1,734.10)	-
Write offs	(31.96)	(31.99)	(9,357.96)	(9,421.91)
As at the end of the year	**1,54,924.85**	**1,753.77**	**6,572.92**	**1,63,251.54**

* New assets originated are those assets which have originated during the year

Analysis of changes in the ECL of loans:

As at March 31, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**345.36**	**518.13**	**2,746.55**	**3,610.03**
New assets originated *	829.09	169.74	622.35	1,621.18
Asset derecognised or repaid	(497.70)	225.34	551.53	279.16
Movement Between Stages				-
Transfer from stage 1	(25.98)	6.01	19.97	-
Transfer from stage 2	228.13	(346.55)	118.42	-
Transfer from stage 3	386.71	1.82	(388.53)	-
Write offs	(332.96)	(398.34)	(2,732.79)	(3,464.08)
Impact on ECL on account of movement between stages / updates to the ECL model	67.89	32.01	2,302.56	2,402.46
As at the end of the year	**1,000.53**	**208.16**	**3,240.06**	**4,448.75**

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34 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**548.68**	**663.05**	**5,540.87**	**6,752.60**
New assets originated *	269.20	178.20	448.55	895.95
Asset derecognised or repaid	(1,558.03)	26.33	1,486.18	(45.51)
Movement Between Stages				-
Transfer from stage 1	(105.65)	26.12	79.54	-
Transfer from stage 2	303.35	(627.81)	324.45	-
Transfer from stage 3	967.03	6.45	(973.48)	-
Write offs	(7.88)	(7.42)	(5,673.20)	(5,688.50)
Impact on ECL on account of movement between stages / updates to the ECL model	(71.35)	219.82	1,547	1,695.49
As at the end of the year	**345.36**	**484.74**	**2,779.94**	**3,610.04**

f) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of the aforesaid balances.

g) Analysis of credit concentration risks

The Company's concentrations of risk are managed by counterparty and geography. The maximum credit exposure to any individual client or counterparty as of March 31, 2024 was INR 7.5 Lakhs (March 31, 2023: INR 5 Lakhs)

The following table shows the risk concentration of loan portfolio by geography.

Geography	For the year ended March 31, 2024	For the year ended March 31, 2023
Tamil Nadu	87,058.60	89,496.18
Odisha	19,467.95	20,699.99
Karnataka	13,345.46	11,712.91
Chhattisgarh	6,065.19	5,071.39
Uttarakhand	5,034.22	6,206.30
Jharkhand	12,835.69	8,497.76
Uttar Pradesh	6,901.56	2,027.00
Haryana	3,672.13	1,275.56
Bihar	26,073.52	17,714.71
Punjab	3,528.14	549.73
Total	**1,83,982.46**	**1,63,251.54**

h) Change in accounting estimate

Company has a policy of reviewing ECL model annually. During the current year, the company has made a annual review and made such refinements to the model and assumptions that in its opinion are essential. Due to these changes, the estimated provision is higher by Rs. 559 lacs.

B. Cash and cash equivalent and Bank deposits

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

C. Other financial assets and Receivables

This balance is primarily constituted by security deposits and advance to employees. The Company does not expect any losses from non-performance by these counter-parties.

(ii) Liquidity risk

a. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

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

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34 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

d. Capital adequacy ratio of the Company, as on March 31, 2024 is 19.42% (YE March 31, 2023: 22.64%) against regulatory norms of 15%. Tier I capital is 17.22% (YE March 31, 2023: 22.64%) as against requirement of 10%. Tier II capital is 2.20% (YE March 31, 2023: 0.00%) which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Less than 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Non-derivative financial liabilities					
As at March 31, 2024:					
Trade Payables	515.55	515.55	-	-	-
Debt Securities*	41,485.49	13,642.76	15,831.73	12,011.00	-
Borrowings (Other than Debt Securities)*	1,31,543.42	74,628.32	47,466.54	9,448.56	-
Subordinated Liabilities*	7,855.60	755.72	1,500.00	1,366.63	4,233.25
Other financial liabilities	6,354.46	5,166.79	1,187.67		
Total	**1,87,754.52**	**94,709.14**	**65,985.94**	**22,826.19**	**4,233.25**
As at March 31, 2023:					
Financial Liabilities					
Trade payables	417.89	417.89	-	-	-
Debt Securities*	26,599.31	4,776.12	21,823.19	-	-
Borrowings (Other than Debt Securities)*	1,18,725.33	79,952.98	38,772.35	-	-
Subordinated Liabilities*	5,486.50	292.99	5,193.51	-	-
Other financial liabilities	5,866.10	5,300.30	565.79		
Total	**1,57,095.12**	**90,740.28**	**66,354.84**	-	-

* Gross of unamortized processing fee

Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis.

Particulars	Carrying amount	Less than 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Derivative financial instruments					
As at March 31, 2024:					
Gross settled:					
Cross Currency Interest Rate swaps					
- Payable	815.68	815.68	-	-	-
Cross currency swaps					
- Payable	171.83	171.83	-	-	-
Total	**987.51**	**987.51**	-	-	-
As at March 31, 2023:					
Gross settled:					
Cross Currency Interest Rate swaps					
- Payable	19.67	19.67	-	-	-
Total	**19.67**	**19.67**	-	-	-

(ii) Market risk

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

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34 Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

(a) Interest rate risk

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

Sensitivity analysis - Increase/ decrease of 100 basis points

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Debt Securities	(335.80)	335.80	(204.31)	204.31
Borrowings	(1,241.55)	1,241.55	(960.92)	960.92
Bank Deposits	156.25	(156.25)	114.83	(114.83)
Subordinated Liabilities	(66.36)	66.36	(46.27)	46.27

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35 Commitments

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	NIL	NIL

36 Contingent liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Claims against the Company not acknowledged as debt		
a. Service tax related matters (net of provision)	44.86	44.86

b. The company has introduced a car leasing policy for employees. This policy enables employees to hire a car (a new car of their choice) based on their eligibility. For this purpose, the company has entered into a lease agreement with Sundaram Finance. According to the agreement, the company is not the owner of the asset but holds the car as a bailee. However, the car is registered under the company's name. In case the employee defaults on the lease rent, Sundaram will seize and sell the car to adjust against the same, and the company shall compensate Sundaram for any losses incurred due to default payment of lease rent.

37 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	-	-
Interest	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

38 Employee benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 682.34 lakhs (March 31, 2023: INR 539.39 lakhs).

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38 Employee benefits (Continued)

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The calculation of the company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

1 Details of actuarial valuation of gratuity pursuant to the Ind AS 19

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Change in present value of obligations		
Present value of obligations at the beginning of the year	499.28	327.55
Benefits paid	(81.41)	(69.12)
Current service cost	188.34	142.41
Transfer in Liability	0.81	-
Past service cost	-	-
Interest cost	34.26	17.32
Actuarial (gains) losses recognised in other comprehensive income	(55.19)	81.14
Present value of obligations at the end of the year	**586.07**	**499.28**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	279.85	308.83
Contributions paid into the plan	219.42	18.73
Benefits paid	(81.41)	(69.12)
Interest Income	25.28	20.19
Return on plan assets recognised in other comprehensive income	(25.28)	1.23
Fair value of plan assets at the end of the year	**417.86**	**279.85**
Net defined benefit liability	**168.22**	**219.43**
C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	188.34	142.41
Past service cost	-	-
Net interest	8.97	(2.86)
Total	**197.31**	**139.55**
Remeasurements recognised in other comprehensive income		
Actuarial loss on defined benefit obligations	(29.90)	79.91

D. Plan assets

The Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out below. Employees do not contribute to the plan. This plan is funded with SBI.

E. Defined benefit obligation

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.00%	7.14%
Salary escalation	8%	8%
Attrition rate (Past service - PS)	PS : 0 to 5 : 45%	PS : 0 to 5 : 45%
	PS : 5 to 40 : 3%	PS : 5 to 40 : 3%

Notes:

a) The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for estimated term of obligation.

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(519.86)	666.46	(443.52)	566.96
Future salary growth (1% movement)	659.67	(523.96)	560.60	(447.75)

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38 Employee benefits (Continued)

G. The expected payout of undiscounted gratuity is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2023-24						
Gratuity	43.58	31.57	37.01	25.14	23.89	171.55
2022-23						
Gratuity	39.79	30.92	28.72	28.81	18.84	145.21

II Details of actuarial valuation of Leave Encashment pursuant to the Ind AS 19

The Company provides encashment of compensated absence based on the approved Company policy. Employees whose service is permanent will be eligible for privilege of compensated absence on calendar year basis, and a maximum accumulation allowed is 5 days leaves in an year. Further, the employees can carry forward a portion of the unutilised accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence for a maximum of 30 days.

A. Change in present value of obligations	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Present value of obligations at the beginning of the year	156.81	53.16
Benefits paid	(48.85)	(23.69)
Current service cost	148.23	3.96
Transfer in Liability	0.00	-
Past service cost	-	-
Interest cost	9.50	2.42
Actuarial (gains) losses on Obligation	(46.63)	120.96
Present value of obligations at the end of the year	**219.06**	**156.81**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid	-	-
Interest Income	-	-
Return on plan assets recognised in other comprehensive income	-	-
Fair value of plan assets at the end of the year	-	-
Net defined benefit liability	**219.06**	**156.81**
C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	148.23	3.96
Actuarial (gains) losses on Obligation	(46.63)	120.96
Net interest	9.50	2.42
Total	**111.10**	**127.34**

Remeasurements recognised in other comprehensive income

Actuarial (Gain)/loss on defined benefit obligations.

D. Plan assets

The Plan is fully funded by the Company. The funding requirements are based on the Leave Encashment actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out below. Employees do not contribute to the plan.

E. Defined benefit obligation

	For the year ended March 31, 2024	**For the year ended March 31, 2023**
Discount rate	7.00%	7.14%
Salary escalation	8%	8%
Expected average remaining service	4.16	4.34
Attrition rate (Past service - PS)	PS : 0 to 5 : 45% PS : 5 to 40 : 3%	PS : 0 to 5 : 45% PS : 5 to 40 : 3%

Notes:

a) Encashment of compensated absence is payable to the employees on death or resignation or on retirement at the attainment of superannuation age, and it is not applicable on termination and unserved notice period of an employee.

b) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

c) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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38 Employee benefits (Continued)

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(202.89)	238.56	(146.23)	169.52
Future salary growth (1% movement)	237.44	(203.56)	168.75	(146.73)

G. Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instrument.

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

H. The expected payout of undiscounted Leave Encashment is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2023-24						
Leave Encashment	61.28	32.07	18.95	8.78	5.14	39.72
2022-23						
Leave Encashment	47.62	25.54	14.33	8.49	3.73	26.64

III Details of actuarial valuation of sick leave pursuant to the Ind AS 19

In the FY 22-23, the company has introduced sick leave policy for the benefits of the employees. As per the policy, the employees can carry forward a portion of the unutilised accrued sick leave. Accordingly the company has done the actuarial valuation and provided for the same. But in the FY 23-24 the company has discontinued the policy with effect from April 01, 2024

A. Change in present value of obligations	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Present value of obligations at the beginning of the year	-	-
Benefits paid	-	-
Current service cost	-	31.36
Past service cost	-	-
Interest cost	-	-
Actuarial (gains) losses on Obligation	-	-
Present value of obligations at the end of the year	-	**31.36**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid	-	-
Interest Income	-	-
Return on plan assets recognised in other comprehensive income	-	-
Fair value of plan assets at the end of the year	-	-
Net defined benefit liability	-	**31.36**





38 Employee benefits (Continued)

C. Expense/ (income) recognised in the statement of profit and loss

Current service cost	-	31.36
Past service cost	-	-
Net interest	-	-
Total	**-**	**31.36**

Remeasurements recognised in other comprehensive income

Actuarial (Gain)/loss on defined benefit obligations.

D. Plan assets

The Plan is not funded by the company.

E. Defined benefit obligation

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	0.00%	7.14%
Salary escalation	0.00%	8%
Expected average remaining service	-	4.34
Attrition rate (Past service - PS)	-	PS : 0 to 5 : 45% PS : 5 to 40 : 3%

Notes:

The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	(26.64)	37.23
Future salary growth (1% movement)	-	-	37.12	(26.64)

G. Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instrument.

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

H. The expected payout of undiscounted Sick Leave is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2022-23						
Sick Leave	-	0.03	1.38	0.99	-	8.57

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38 Employee benefits (Continued)

IV Details of actuarial valuation of long service bonus pursuant to the Ind AS 19

The long service bonus is a cash-based incentive program tailored for a specific segment of employees with the aim of fostering their performance and bolstering their dedication. The primary objective of the long service bonus is to retain valuable employees, who play a pivotal role in upholding excellence, a core value of Dvara KGFS. Recognizing the commitment of high-performing employees not only aids in diminishing employee turnover but also perpetuates a culture of high performance. This program is designed to acknowledge and reward employees within the executive excellence band for their performance and ongoing commitment, in line with the specified eligibility criteria.

A. Change in present value of obligations	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of obligations at the beginning of the year	251.82	-
Benefits paid	(251.82)	-
Current service cost	307.96	-
Transfer in Liability	-	-
Past service cost	-	-
Interest cost	17.38	-
Actuarial (gains) losses on Obligation	150.79	-
Present value of obligations at the end of the year	**476.13**	-

B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid	-	-
Interest Income	-	-
Return on plan assets recognised in other comprehensive income	-	-
Fair value of plan assets at the end of the year	-	-
Net defined benefit liability	**476.13**	-

C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	307.96	-
Actuarial (gains) losses on Obligation	-	-
Net interest	17.38	-
Total	**325.34**	-

Remeasurements recognised in other comprehensive income		
Actuarial (Gain)/loss on defined benefit obligations.	150.79	-

D. Plan assets

The Plan is fully funded by the Company. The funding requirements are based on the Long Service Bonus actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out below. Employees do not contribute to the plan.

E. Defined benefit obligation

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	6.90%	0.00%
Salary escalation	4%	0.00%
Expected average remaining service	0.91	-
Attrition rate (Past service - PS)	PS : 0 to 40 : 45%	-

Notes:

a) Encashment of long-service bonus is based on the conditions mentioned in the policy of the company.

b) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

c) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2024	
	Increase	Decrease
Discount rate (1% movement)	(469.93)	482.49
Future salary growth (1% movement)	480.99	(471.30)

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38 Employee benefits (Continued)

G. Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instrument.

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

II. The expected payout of undiscounted Leave Encashment is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2023-24						
Long Service Bonus	176.50	152.48	156.83	37.64	0.32	-
2022-23						
Long Service Bonus	-	-	-	-	-	-

39 Employee stock option plan (ESOP)

Dvara KGFS Employee Stock Option Plan 2019 ("ESOP Plan") has been approved by the shareholders of the Company, by way of a special resolution, authorizing the Committee to grant not more than 226905 options (at any point of time after excluding optioned granted to resigned employees) to eligible employees in one or more tranches, from time to time of face value Rs.100 each fully paid up, with each such option conferring a right upon the employees to apply for one share in the Company in accordance with the terms and conditions as may be decided under the Plan. The shareholders of the Company have approved the Plan by way of an special resolution and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

Dvara KGFS Employee Stock Option Plan 2019

The options were issued on April 1, 2019, January 2, 2020, March 30, 2021, November 2, 2021, October 1, 2022 and May 31, 2023. The options are vested over a period of 4 years in the proportion of 25:25:25:25.

A brief overview of the scheme is summarized as under:

Particulars	Tranch I	Tranch I	Tranch II	Tranch III
Effective date of Scheme:	01-Apr-19	10-May-19	02-Jan-20	30-Mar-21
Approval of Board of directors:	01-Apr-19	10-May-19	02-Jan-20	30-Mar-21
Date of EGM	01-Feb-19	01-Feb-19	01-Feb-19	01-Feb-19
Tenure of scheme	4 years	4 years	4 years	4 years
Vesting period	1 year	1 year	1 year	1 year
Total number of eligible employees	28	28	28	39
Exercise price in INR	346	346	380.59	477.11
Number of options granted	55,330	10,320	25,306	43,199
Fair value of options at grant date (in I	97.2 to 188.3	97.2 to 188.3	88.27 to 176.31	225.94 to 317.56

Particulars	Bonus & Increme	Tranch IV	Tranch V	Tranch VI
Effective date of Scheme:	30-Mar-21	02-Nov-21	01-Oct-22	31-May-23
Approval of Board of directors:	30-Mar-21	02-Nov-21	01-Oct-22	01-Oct-22
Date of EGM	01-Feb-19	26-Mar-21	30-Sep-22	30-Sep-22
Tenure of scheme	1 year	4 years	4 years	4 years
Vesting period	1 year	1 year	1 year	1 year
Total number of eligible employees	38	41	41	36
Exercise price in INR	477.11 and 429.39	525.43	460	466
Number of options granted	16,370	41,652	56,535	47,200
Fair value of options at grant date (in I	225.94 to 317.56	107.17 to 224.54	183.33 to 310.50	96.20 to 168.43

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39 Employee stock option plan (ESOP) (continued)

Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	Weighted average exercise price per option		Number of options	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Outstanding at beginning of year	450.33	426.84	1,76,745	1,61,003
Less: Forfeited during the year	430.48	469.58	64,977	40,793
Less: Exercised during the year	-	-	-	
Add: Granted during the year	466.00	572.05	47,200	56,535
Outstanding as at end of year	**448.09**	**450.33**	**1,58,968**	**1,76,745**

Expense recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Share based payments to employees #	(36.34)	117.70

The employee stock option expenses became negative on account of forfeiture of options granted to resigned employees.

Measurement of fair values

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. The various inputs considered in the pricing model for the stock options granted by the Company during the year are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Share price on grant date (INR)	460.00	572.05
Weighted average share price (INR)	448.09	450.33
Exercise price (INR)	466.00	460.00
Fair value of options at grant date (INR)	96.20 to 168.43	183.33 to 310.50
Expected volatility	15.46%-17.69%	48.50% - 50.07%
Option term	1-4 years	1-4 years
Expected dividends	Nil	Nil
Risk free interest rate	6.88%- 6.98%	6.96% - 7.17%

40 Related party disclosures

Related party relationships and transactions are as identified by the management.

Entities with substantial interest over the company	Dvara Trust, represented by Dvara Holdings
Enterprise in which controlling entity / KMP has significant influence	Dvara Holdings Dvara Research Foundation Dvara Solutions Private Limited Dvara Money Private Limited Dvara E-Registry Private Limited Dvara Smartgold Private Limited Dvara E-Diary Solutions Private Limited Dvara Health Finance Private Limited Northern Arc Capital Limited (Until 31st March 2023)
Enterprise in which company has significant influence	Saija Finance Private Limited
Key Managerial Personnel (KMP)	Mr. G. Vijayakumar, Chief Financial Officer (Until 31st May 2023) Ms. Shilpa Bhatter, Chief Financial Officer (Since 1st June 2023) Ms. Deepika Bhatt, Company Secretary (Since 9th February 2023) Mr. LVLN Murty, Managing Director & CEO Ms. Bindu Ananth, Director & Chairman Mr. Samir Amrit Shah, Director & Vice Chairman
Independent Directors	Mr. Hemanth Ratnakar Adarkar (Since 24th May 2023) Ms. Gowri Thyagarajan (Since 1st August 2022) Ms. Anisha Motwani Mr. Raman Uberoi
Non Executive Director	Mr. John Henry Fischer(Since 30th August 2022) Mr. Pranav Kumar Gupta, Nominee Director Mr. Thomas Klungsoeyr, Nominee Director

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40 Related party disclosures (continued)

Close member of KMP and entities controlled/jointly controlled by KMP	Mr. Amrut Madhav Gujarathi
	Ms. Aruna Amrut Gujarathi
	Ms. Ritu Shah
	Mr. L Krishna Murty
	Ms. L Usha
	Ms. L S Prabhavati

A. Transactions during the Year :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dvara Trust		
Advance taken	-	75.00
Loan Repaid	75.00	250.00
Loan Obtained	125.00	-
Interest expenses***	11.08	7.86
Professional & consultancy fee paid	35.60	-
Northern Arc Capital Limited		
Interest expense***	-	1,764.41
Fee paid	-	29.70
Loan Repaid	-	5,635.38
Loan Obtained	-	5,564.70
Commission From Business Correspondence	-	27.04
Processing Fee Income	-	0.01
Dvara Solutions Private Limited		
Technology fees	225.01	131.71
Customization fee	-	3.44
Loan Repaid	-	170.00
Loan Obtained	-	170.00
Interest expenses***	-	3.02
Dvara Smartgold Private Limited		
Commission income	0.81	11.27
Deposit given/(refunded)	(15.00)	14.70
Other Expenses	43.95	-
Dvara Holdings		
Rent	184.15	141.10
Loan Obtained	2,557.00	7,600.00
Loan Repaid	4,455.49	6,355.00
Other Expenses	36.75	102.45
Interest expenses***	212.10	219.56
Saija Finance Private limited		
Commission expenses	-	537.57
Upfront fee	-	80.60
Professional & Consultancy Fee Paid	-	36.31
Employee reimbursement	16.50	50.59
Net Liabilities taken over in BTA transaction	-	1,119.95
Direct Assignment transaction with Saija considered as Own Book post Business Transfer Agreement	-	1,053.35
Cash Collateral placed by Saija knocked off pursuant to Business Transfer Agreer	-	674.48
Loans given	-	757.83
Interest received from SAIJA	-	19.13
Loan to Saija knocked off pursuant to Business Transfer Agreement	-	757.83
Payment made by the company on behalf of Saija	7.91	-
Gratuity	25.95	-
Dvara E Dairy Solutions Private Limited		
Loan Received	127.00	903.18
Loan Repaid	555.68	474.50
Interest expenses***	16.93	34.19
Dvara E- Registry Solutions Private Limited		
Loan Received	250.00	-
Loan Repaid	250.00	-
Interest expenses***	2.05	

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40 Related party disclosures (continued)

Director Sitting Fees		
Ms. Anisha Motwani	8.00	17.00
Mr. NT Arun Kumar	-	26.50
Mr. Raman Uberoi	13.50	21.00
Mr. S.Viswanathan	-	-
Ms. Gowri Thyagarajan	10.00	12.50
Mr. Hemant Ratnakar Adarkar	9.00	-
Remuneration to Key Managerial Personnel #		
Mr. G. Vijayakumar (till 31st May 2023)	22.75	68.46
Ms. Shilpa Bhatter (Since 1st June 2023)	65.46	-
Mr. S Balaji (till 8th February 2023)	-	17.92
Mr. LVLN Murty	105.69	93.86
Ms. Deepika Bhatt (Since 9th February 2023)	16.72	2.82
Relatives to Key Managerial Personnel		
Interest on Non-convertible debentures paid to relatives	6.21	23.47
Amount repaid to relatives	10.00	50.51
Relatives to Directors		
Interest on Non-convertible debentures paid to relatives	7.59	4.43
Principal amount repaid to relatives	-	11.41
Non-convertible debentures amount received from relatives	25.00	-

Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

*** Interest Expenses includes only actual cash outflow on account of interest and does not include interest accrued.

B. Balances as at year end:

Particulars	As at March 31, 2024	As at March 31, 2023
Dvara Trust		
Receivable	-	0.69
Term loan - Repayable on Demand*	126.15	75.00
Northern Arc Capital Limited		
Trade payables	-	-
Receivable	-	2.56
NCD outstanding*	-	4,993.17
Term loan outstanding*	-	10,444.04
Commercial Paper	-	-
Dvara Solutions Private Limited		
Advances	-	17.10
Trade payables	-	-
Dvara Smartgold Private Limited		
Deposit	-	15.07
Receivable-DSSP	-	18.76
Trade receivable	1.02	4.55
Dvara Holdings		
Term loan - repayable on demand*	1,590.53	3,472.63
Rental Advance	-	6.21
Provisions	0.81	-
Saija Finance Private limited		
Receivable	-	12.32
Others	76.69	-
Dvara E-Dairy Solutions Private Limited		
Term loan - repayable on demand*	-	430.89
Individual NCD belonging to Close member of KMP	97.51	144.00

* Includes interest accrued and net of unamortised processing fees.

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SUBRAM & SHANTHI FIRM REGN NO 003983S/S200918 CHENNAI

41 Segment reporting

Operating segments

The Company's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or guarantees. The information relating to this operating segment is reviewed regularly by the Company's Board of Directors (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 Operating Segments.

42 Leases

In the cases where assets are taken on operating lease (as lessee)

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises used for operating activities. In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at April 1, 2019, and thereafter, at the inception of respective lease contracts and Right of use (ROU) asset is equal to lease liability subject to certain practical expedients as allowed by the standard.

The following is the summary of practical expedients applied as allowed under Ind AS 116.

a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

b) Availed the exemption of not to recognize ROU assets and liabilities for leases of low value assets and leases with less than 12 months (short-term lease) of lease term on the date of initial application as at April 1, 2019 and thereafter;

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application as at April 1, 2019 and thereafter;

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e) Used hindsight to determine the lease term of contracts.

i) Total lease liabilities are analysed as follows:

Lease liabilities	As at March 31, 2024	As at March 31, 2023
Current	84.93	274.16
Non-current	1,175.96	542.51
Total	**1,260.89**	**816.67**

ii) Amounts recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation charge of right-of-use assets		
Office Premises	202.86	179.69
Total	**202.86**	**179.69**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses)	407.34	212.11
Interest on lease liabilities (included in finance costs)	24.27	107.17

iii) Total cash flows and commitments for the short term leases

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	676.17	494.83
Total commitments for short-term leases	-	-

iv) The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Office Premises	-	-

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42 Leases (continued)

v) **The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:**

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year	408.73	281.30
Between 1 and 2 years	337.33	175.88
Between 2 and 5 years	735.00	408.34
More than 5 years	277.11	57.80
Total	**1,758.16**	**923.32**

vi) **Movement in lease liabilities during the year**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	816.67	889.33
Additions pertaining to acquisition of Saija	-	102.88
Additions during the period	688.78	-
Finance cost incurred during the period	24.27	107.17
Termination of lease and adjustment during the period	-	-
Payment of lease liabilities	(268.83)	-282.72
Balance at the year end	**1,260.89**	**816.67**

Note: Refer Note 10B for movement in right of use of assets.

43 Additional Disclosures as required by the Reserve Bank of India

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total gold loan portfolio	964.53	932.03
Total assets	1,83,982.46	1,63,251.54
Gold loan portfolio as a percentage of total assets	0.52%	0.57%

Details of Gold Loan auction conducted during the year

Period	Number of loan accounts	Principal amount outstanding at the dates of auctions (A)	Interest amount outstanding at the dates of auctions (B)	Total (A+B)	Value fetched
31-Mar-24	34.00	4.14	-	4.14	7.01
31-Mar-23	2.00	0.80	0.34	1.14	1.37

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44 Disclosures under Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023

Capital adequacy ratio

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The below disclosures under Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, as updated, are in accordance with Indian Accounting Standards (IND AS).

i Net Debt to Equity Ratio

Consistent with the others in industry, the company monitors the capital on the basis of gearing ratio (Net debt divided by equity). Under the terms of the major borrowing facilities, the company is required to maintain the gearing ratio in line with the RBI guidelines or in a slightly more conservative manner. The actual gearing stipulated differs between the various lending agreements. The company has complied with this covenant through out the year.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Equity (Including Compulsorily convertible cumulative preference shares)	38,760.40	34,249.09
Debt (Includes debt securities, borrowings and Subordinated liabilities)	1,79,357.83	1,46,383.53
Cash and cash equivalents (excluding Bank balance other than cash and cash equivalents)	24,951.54	7,830.30
Bank balance which are lien marked for the purpose of borrowings	11,695.70	8,608.14
Net Debt	**1,42,710.58**	**1,29,945.08**
Net Debt to Equity Ratio	**3.68**	**3.79**

ii Regulatory capital

The company has to mandatorily comply with the capital adequacy requirements stipulated by Reserve Bank of India from time to time. Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

Tier I capital comprised of share capital, share premium, retained earnings including current year profit and Tier II capital comprises of provision on standard assets. Tier 1 and Tier 2 has been reported on the basis of Ind AS financial information. Risk weighted assets represents the weighted sum of company's credit exposures based on their risk.

Particulars	Carrying amount	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Tier I Capital	27,885.15	27,962.54
Tier II Capital	3,556.68	-
Total Capital	**31,441.83**	**27,962.54**
Amount of subordinated debt raised as Tier-II capital	5,670.50	713.22
Risk weighted assets	1,61,906.86	1,23,522.51
Tier I Capital Ratio (%)	17.22%	22.64%
Tier II Capital Ratio (%)	2.20%	0.00%
Tier Capital Ratio (%)	19.42%	22.64%

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45 Investments

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Value of investment		
Gross value of investments		
- In India	81.21	75.00
- Outside India	-	-
Provisions for investments		
- In India	-	-
- Outside India	-	-
Net value investments		
- In India	81.21	75.00
- Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write off/ write back/ reversal of provision during the year	-	-
Closing balance	-	-

Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The notional principal of swap agreements	25,391.98	7,130.15
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
The fair value of the swap book (Asset / (Liability))	(987.51)	(19.67)

b) Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative. The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures:

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of MD/ CFO/ Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures: - Currency derivative

Foreign currency non-repatriate loans availed:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Derivatives (Notional Principal Amount)		
- For hedging	25,391.98	7,130.15
ii) Marked to Market Positions		
a) Asset (+) Estimated gain		-
b) Liability (-) Estimated loss	987.51	19.67
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

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46 Disclosure Pursuant to Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)

S.N	Particulars	As at March 31, 2024		As at March 31, 2023	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side:				
	1. Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not				
	(a) Debentures				
	- Secured	39,276.43	-	23,499.31	-
	- Unsecured	2,209.06	-	800.00	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	90,347.40		67,293.76	
	(d) Inter-Corporate Loans and Borrowings	1,716.67	-	14,517.41	-
	(e) Commercial Paper	-	-	2,300.00	-
	(f) Public Deposits		-		-
	(g) Subordinated Liabilities	7,855.60		5,486.51	
	(h) Other Loans	27,004.42	-	36,914.17	-
	Note : Above balances are gross of unamortised processing fee.				
	2. Break-up of (1)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-	-	-
	(c) Other public deposits	-	-	-	-

Assets side:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
3. Break-up of Loans and Advances * including Bills Receivables [other than those included in (4) below]:		
(a) Secured	967.51	932.03
(b) Unsecured	1,83,014.94	1,62,319.51
** Excludes impairment loss allowance*		
4. Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i) Lease Assets including Lease Rentals Accrued and Due:		
a) Financial Lease	-	-
b) Operating Lease	-	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC Activities		
a) Loans where Assets have been Repossessed	-	-
b) Loans other than (a) above	-	-

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46 Disclosure Pursuant to Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)(Continued)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
5. Break-up of Investments (net of provision for diminution in value):		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) commercial paper	-	-
II. Unquoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	81.21	75.00
iv. Government Securities	-	-
v. Others		
a) pass through certificates	-	-
b) units of alternative investment fund	-	-
Long Term Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares		-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	-	-
b) units of alternative investment fund	-	-
c) share warrants	-	-

6. Borrower Group-wise Classification of Assets Financed as in (3) and (4) above:

Category	As at March 31, 2024 (Net of provisions)		As at March 31, 2023 (Net of provisions)	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	967.51	1,78,566.19	932.03	1,58,709.47
	967.51	**1,78,566.19**	**932.03**	**1,58,709.47**

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46 Disclosure Pursuant to Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)(Continued)

7. Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)

Category	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2024	Book Value as on March 31, 2024 (Net of provisions)	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2023	Book Value as on March 31, 2023 (Net of provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	81.21	81.21	75.00	75.00
	81.21	**81.21**	**75.00**	**75.00**

8 Other Information

Particulars	As at March 31, 2024		As at March 31, 2023	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i) Gross Non-Performing Assets (stage 3 assets)	-	5,528.55	-	6,572.92
(ii) Net Non-Performing Assets (stage 3 assets)	-	2,288.49	-	3,792.98
(iii) Assets Acquired in Satisfaction of Debt	-	-	-	-

Note : NPA contracts represents the Stage 3 contracts. Also this excludes the impact of the fair value changes on the financial assets.
Also refer Note 34.

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CHENNAI

Dvara Kshetriya Gramin Financial Services Private Limited
Notes to the financial statements for the the year ended March 31, 2024
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

47A Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2024

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks and others	5,671.57	556.87	5,034.58	6,754.37	9,027.77	22,895.55	24,687.61	47,466.54	9,448.56	-	1,31,543.42
Market borrowings (debt securities)	95.32	7.87	145.83	1,077.74	3,303.34	4,997.77	4,014.89	15,831.73	12,011.00	-	41,485.49
Subordinated Liabilities	-	2.51	-	545.00	-	208.21	-	1,500.00	1,366.63	4,233.25	7,855.60
Total	**5,766.89**	**567.25**	**5,180.41**	**8,377.11**	**12,331.11**	**28,101.53**	**28,702.50**	**64,798.27**	**22,826.19**	**4,233.25**	**1,80,884.51**
Assets											
Advances	5,638.47	7,096.14	3,564.29	9,361.21	9,554.75	28,197.28	50,470.65	65,947.57	111.05	5,529.73	1,85,471.14
Investments	-	-	-	-	-	-	81.21	-	-	-	81.21
Total	**5,638.47**	**7,096.14**	**3,564.29**	**9,361.21**	**9,554.75**	**28,197.28**	**50,551.86**	**65,947.57**	**111.05**	**5,529.73**	**1,85,552.35**

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2023

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks and others	930.86	2,448.70	3,610.55	5,157.43	7,391.58	17,596.29	42,817.57	38,772.35	-	-	1,18,725.33
Market borrowings (debt securities)	75.18	-	86.63	1,726.92	1,344.44	433.33	1,109.62	21,823.19	-	-	26,599.31
Subordinated Liabilities	31.99	-	-	-	-	-	261.00	5,193.51	-	-	5,486.50
Total	**1,038.03**	**2,448.70**	**3,697.17**	**6,884.35**	**8,736.02**	**18,029.62**	**44,188.19**	**65,789.05**	**-**	**-**	**1,50,811.14**
Assets											
Advances	2,247.62	2,278.83	1,093.62	8,091.97	8,132.20	28,135.77	48,408.22	60,620.73	1,257.14	4,253.51	1,64,519.60
Investments	-	-	-	-	-	-	-	75.00	-	-	75.00
Total	**2,247.62**	**2,278.83**	**1,093.62**	**8,091.97**	**8,132.20**	**28,135.77**	**48,408.22**	**60,695.73**	**1,257.14**	**4,253.51**	**1,64,594.60**

Note: - The balances are gross of impairment loss allowance
- Above balances are gross of unamortised component of sourcing cost/ income which is adjusted as part of loan/borrowing balances.

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47B Public disclosure on Liquidity risk management

i. Funding concentration based on significant Counterparty *(both deposits and borrowings)

As at March 31, 2024

Number of significant counterparties	Amount (₹ in Crore)	Total Borrowings (%)	Total Liabilities (%)
19	1,489.81	83%	79%

As at March 31, 2023

Number of significant counterparties	Amount (₹ in Crore)	Total Borrowings (%)	Total Liabilities (%)
25	1,306.46	87%	83%

ii. Top 20 large deposits (amount in ₹ Crore and % of total deposits)-

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

iii. Top 10 borrowings (amount in ₹ Crore and % of total borrowings)

As at March 31, 2024

Amount (Rs in Crore)	Total Borrowings (%)
1,173.85	65.45%

As at March 31, 2023

Amount (Rs in Crore)	Total Borrowings (%)
960.91	64.32%

iv. Funding concentration based on significant instrument / product*

As at March 31, 2024

Name of the instrument/ product	Amount (₹ in Cr)	Total liabilities(%)
Secured debentures from others	386.97	20.58%
Unsecured debentures from others	21.98	1.17%
Term loan from banks	438.90	23.34%
Term loan from others	326.59	17.37%
Securitization borrowings	259.93	13.83%
External commercial borrowings	253.92	13.51%
Subordinated term loan from banks	20.00	1.06%
Subordinated term loan from others	57.41	3.05%

As at March 31, 2023

Name of the instrument/ product	Amount (₹ in Cr)	Total liabilities(%)
Secured debentures from others	179.76	11.49%
secured debentures from related parties	51.37	3.28%
Unsecured debentures from others	7.95	0.51%
Commercial paper	22.60	1.44%
Term loan from banks	295.25	18.87%
Term loan from others	300.36	19.19%
Term loan from related parties	104.44	6.67%
Securitization borrowings	357.22	22.82%
External commercial borrowings	71.30	4.56%
Loan repayable on demand from others	8.94	0.57%
Loan repayable on demand from related parties	39.79	2.54%
Subordinated debentures	2.71	0.17%
Subordinated term loan from banks	20.31	1.30%
0.001% Compulsorily convertible cumulative preference shares	31.84	2.03%

v. Stock Ratios

As at March 31, 2024

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	4.27%	4.08%	3.38%

As at March 31, 2023

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	1.55%	1.44%	1.20%
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	4.86%	4.54%	3.78%

47B Public disclosure on Liquidity risk management (continued)

vi. Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.



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48 Disclosure of frauds reported during the year ended March 31, 2024

Particulars	Less than INR 1 Lakh		More than INR 1 Lakh less than INR 25 Lakh		Above INR 25 Lakh		Total	
	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)
Person involved:								
Staff	101.00	22.83	20.00	69.00	-	-	121.00	91.83
(Previous year)	(53.00)	(12.23)	(7.00)	(16.64)	-	-	(60.00)	(28.87)
Outsiders	-	-	-	-	-	-	-	-
(Previous year)	-	-	-	-	-	-	-	-
Type of fraud:								
Misappropriation and criminal breach of trust, manipulation of books of accounts, cheating and forgery	101.00	22.83	20.00	69.00	-	-	121.00	91.83
(Previous year)	(53.00)	(12.23)	(7.00)	(16.64)	-	-	(60.00)	(28.87)
Others	-	-	-	-	-	-	-	-
(Previous year)	-	-	-	-	-	-	-	-
Total	**101.00**	**22.83**	**20.00**	**69.00**	**-**	**-**	**121.00**	**91.83**

Numbers in bracket represent previous year balances

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49 Exposure to Real estate sector

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Direct Exposure		
i. Residential Mortgages - (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented);	-	-
ii. Commercial Real Estate – (Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential (refer note below)	-	-
b) Commercial Real Estate	-	-

50 Exposure to capital market

The Company's entire loan portfolio (Loans) is unsecured except to the extent of Jewel loans. Further the loans are made to individuals/group of individuals only. Also, the Company has made investments in current year and previous year only in pass through certificate. Accordingly, disclosures in relation to capital markets is not applicable.

51 Disclosures relating to Direct Assignment and Securitisation

51.1 Disclosure pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 vide RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

i) Details of Loans (not in default) transferred during the year				
Sl no	Particulars	To ARCs	To permitted transferees	To other transferees
1	No. of accounts	Nil	1,31,573.00	Nil
2	Aggregate principal outstanding of loans transferred (INR in lakhs)	Nil	51,560.82	Nil
3	Sale Consideration (INR in lakhs)	Nil	46,404.73	Nil
4	Number of Transactions	Nil	15.00	Nil
5	Weighted average residual tenor of the loans transferred (in months)	Nil	17.46	Nil
6	Weighted average holding period after origination (in months)	Nil	9.64	Nil
7	Retention of beneficial economic interest	Nil	10%	Nil
8	Rating-wise distribution of rated Loans	Nil	NA	Nil
9	Instances where it has agreed to replace loans transferred to transferee	Nil	Nil	Nil
10	Pay damages arising out of any representation or warranty	NA	NA	NA
11	Coverage of Tangible Security Coverage	NA	Nil	NA
ii) The company has not acquired loans (not in default) during the year ended 31st March 2024				
iii) The company has not transferred any stressed loans during the year ended 31st March 2024				
iv) The company has not acquired any stressed loan during the year ended 31st March 2024				

51.2 Details of securitisation transactions undertaken

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1. No of SPVs sponsored by the NBFC for securitisation transactions	14	12
2. Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	30,742.55	38,819.85
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	4,179.68	3,693.21
Others	2,649.03	4,538.60

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51.2 Details of securitisation transactions undertaken (continued)

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	-	-
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation $		
Form and quantum (outstanding value) of services provided ***		
Performance of facility;		
(a) Amount paid **	43,481.06	14,115.52
(b) Repayment received ^^	44,317.00	16,816.13
(c) Outstanding amount ^	28,377.55	39,399.58
Servicing fee	25.20	40.10
Credit enhancement in the form of Loan (10% of pool amount) and cash collateral (5% of pool amount)	6,828.71	8,231.81

Average default rate of portfolios observed in the past. ##
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding
^ Principal outstanding/payable considered under collateralised borrowing from banks arising out of securitisation transaction in financial statement.
# Principal outstanding of the pool as at the year end
** Principal amount paid to Investor out of the collection made.
^^ Principal Collection made from the pool.
There were no securitisation/PTC transaction deal undertaken by Company in last 5 year (excluding the current running transaction).
*** Company considers the securitization as one of the mode of fund raising. As this do not meets the criteria for derecognition, the same remains on balance sheet item and the amount received is considered as borrowing. Company remits the interest payable and principal collection from the pool to the lender at periodic intervals as per the agreement.

52 Details of non- performing financial assets purchases / sold

The Company has neither purchased nor sold any non- performing financial assets during the previous year.

53 Details of financing of Parent Company products

The Company has no exposures in this regard and accordingly disclosures in relation to this is not applicable.

54A Details of Single Borrower Limits (SBL)/ Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set by Reserve Bank of India for the year ended March 31, 2024 and March 31, 2023

54B Unsecured Advances - Refer Note 7

55 Advances against Intangible Securities

The Company has not given any loans against intangible securities

56 Registration/ licence/ authorisation obtained from other financial sector regulators :

Regulator	Registration Number
Ministry of Corporate Affairs	U65991TN1993PTC024547
Reserve Bank of India	B-07-00627

Registration / Licence	Authority issuing the registration	Registration / Licence reference
Certificate of Registration	Reserve Bank of India	B-07-00627 dated March 28, 2019

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57 Penalties imposed by RBI and other regulators

Fine due to delayed compliance of SEBI LODR pertaining to the previous Years vix 2021, 2022, 2023 etc. were levied and paid (with 18 % GST included).

S.No.	Regulation	Period	Reasons	Penalty
1	Reg 60(2)	Aug-22	Delayed Compliance	11,800.00
2	Reg 60(2)	Apr-22	Delayed Compliance	11,800.00
3	Reg 60(2)	Jul-21	Delayed Compliance	11,800.00
4	Reg 60(2)	Jun-21	Delayed Compliance	11,800.00
5	Reg 60(2)	Mar-21	Delayed Compliance	11,800.00
Total				**59,000.00**

58 Exposure to Perpetual Debt Instruments (PDI)

The Company does not have any exposure to Perpetual Debt Instruments during the year ended March 31, 2024 and March 31, 2023.

59 Ratings

Particulars	Rating agency	Date of rating	Year ended March 31, 2024	Date of Rating	Year ended March 31, 2023
Bank facilities	CARE	08-01-2024	BBB+	29-12-2022	BBB+
	CARE-Short term	08-01-2024	A2	-	-
	CRISIL	12-12-2023	BBB+	10-02-2023	BBB+
	ACUITE	05-01-2024	A-	06-01-2023	A-
Subordinated debt issue	CRISIL	12-12-2023	BBB+	10-02-2023	BBB+
Commercial Paper	ACUITE	05-01-2024	A2	06-01-2023	A2
	CARE	08-01-2024	A2	-	-
Non-convertible debentures - Long Term	CARE	08-01-2024	BBB+	29-12-2022	BBB+
Non-convertible debentures - Long Term	ACUITE	05-01-2024	A-	06-01-2023	A-
Non-convertible debentures - Short Term	ACUITE	05-01-2024	A2	06-01-2023	A2
Non-convertible debentures (MLD) - Long Term	ACUITE	05-01-2024	A-	06-01-2023	A-
	CRISIL	12-12-2023	BBB+	10-02-2023	BBB+
Non-convertible debentures - Long Term	BRICKWORK	04-03-2024	BBB+	-	-

60 Provisions and contingencies

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment on financial assets*	4,448.75	3,610.04
Provision for guarantee	76.53	37.42
Provision for gratuity	168.22	219.43
Provision for leave encashment	219.07	188.18
Provision for service tax liability	18.75	18.75

* Includes impairment on financial assets (stage 3) amounting to INR 3240.06 lakhs (March 31, 2023: INR 2779.94 lakhs). Also refer note 34

61 Draw down from reserves

The company has not made any drawdown from existing reserves during the year ended March 31, 2024 and March 31, 2023.

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SHAR & SARTHI LLP CHENNAI

62 Concentration of advances

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total advances to twenty largest borrowers	99.48	84.03
Percentage of advances to twenty largest borrowers to total	0.05%	0.05%

63 Concentration of exposures

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total exposure to twenty largest borrowers	99.48	84.03
Percentage of exposures to twenty largest borrowers to total	0.05%	0.05%

64 Concentration of NPA Contracts*

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total exposure to top four NPA accounts	13.34	13.50

** represents stage 3 contracts*

65 Movement of Non-Performing Assets (NPA's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Net NPAs to net advances (%) (Net of provision for NPAs)	**1.26%**	**2.36%**
(b) Movement of gross NPAs		
Opening balance	6,572.92	10,004.62
Additions during the year	5,154.98	5,153.30
Reductions during the year	(6,199.35)	(8,585.00)
Closing balance	**5,528.55**	**6,572.92**
(c) Movement of net NPAs		
Opening balance	3,793.08	4,463.75
Additions during the year (net)	2,060.39	3,055.60
Reductions during the year	(3,564.98)	(3,726.27)
Closing balance	**2,288.49**	**3,793.08**
(d) Movement of provisions for NPAs (excluding contingent provisions against standard assets)		
Opening balance	2,779.84	5,540.87
Provisions made during the year	3,094.59	2,097.70
Write-off / write-back of excess provisions	(2,634.37)	(4,858.73)
Closing balance	**3,240.06**	**2,779.84**

Note : NPA contracts represents Stage 3 contracts and the NPA Provision represents the Loss allowance on Stage 3 contracts. This is based on the yearly movement of NPA accounts. The Net advance is arrived at by adding back processing fee and deducting NPA provision to gross loans.

Movement of provisions held towards guarantees		
Opening balance	37.42	74.17
Add: Provisions made during the year	39.11	-
Less: Write off/ write back/ reversal of provision during the year	-	(36.75)
Closing balance	**76.53**	**37.42**

Note : The above disclosure also includes the loss allowance towards undrawn loans.

66 Overseas assets (for those with joint ventures and subsidiaries abroad)
There are no overseas asset owned by the Company

67 Off-balance sheet SPVs sponsored
There are no SPVs which are required to be standalone as per accounting norms.

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68 Customer complaints

	For the year ended March 31, 2024	For the year ended March 31, 2023
No. of complaints pending at the beginning of the year	5.00	-
No. of complaints received during the year	2,384.00	963
No. of complaints redressed during the year	2,389.00	958
No. of complaints pending at the end of the year	-	5

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
Current year					
Collection related	-	152.00	-7%	-	-
Complaint against staff	1.00	148.00	270%	-	-
Disbursement Related		409.00	297%		
Direct Third Party Products		-	-100%		
HR Related		10.00	100%		
Insurance & NPS		497.00	215%	-	
Loan related	1.00	947.00	239%		
Mitra Application		191.00	213%		
Product Related	3.00	30.00	20%		
Grand Total	**5.00**	**2,384.00**		-	-
Previous year					
Collection related	-	163.00	-34%	-	-
Complaint against staff	-	40.00	-20%	1.00	1.00
Disbursement related	-	103.00	-2%	-	-
Direct Third Party Products	-	129.00	438%	-	-
HR Related	-	5.00	0%	-	-
Insurance & NPS	-	158.00	76%	-	-
Loan related	-	279.00	17%	1.00	1.00
Product related	-	61.00	663%	-	-
Mitra Application	-	25.00	108%	3.00	2.00
Grand Total	-	**963.00**	-	**5.00**	**4.00**

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69 Sector-wise NPAs (Percentage of NPA's to total advances in that sector)

Sectors	Current Year (Mar'24)			Previous Year (Mar'23)		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**951.90**	**17.11**	**1.80%**	**690.31**	**10.45**	**1.51%**
2. Industry						
i)Expansion of existing business / setting additional business	460.27	12.66	**2.75%**	297.47	3.28	**1.10%**
ii)Purchase of additional stock / raw material	135.68	5.87	**4.33%**	114.35	5.23	**4.58%**
iii)Others	42.76	3.19	**7.46%**	36.50	1.73	**4.75%**
Total of Industry (i+ii+iii)	**638.71**	**21.72**	**3.40%**	**448.33**	**10.24**	**2.28%**
3. Services						
i)Cloth Shop	22.89	1.77	**7.73%**	19.29	1.48	**7.67%**
ii)Others	64.20	6.55	**10.20%**	43.44	5.29	**12.19%**
Total of Services (i+ii)	**87.09**	**8.32**	**9.55%**	**62.74**	**6.77**	**10.80%**
4. Personal Loans						
i)Household expenses	314.21	5.52	**1.76%**	269.46	3.72	**1.38%**
ii)Education-School/College	67.09	1.07	**1.59%**	49.79	0.71	**1.42%**
iii)Consumer Durables	36.13	0.69	**1.91%**	35.57	0.46	**1.30%**
iv)Others	205.29	10.80	**5.26%**	255.32	42.49	**16.64%**
Total of Industry (i+ii+iii+iv)	**622.72**	**18.08**	**2.90%**	**610.15**	**47.39**	**7.77%**
Total (1+2+3+4+5)	**2,300.42**	**65.23**	**2.84%**	**1,811.52**	**74.86**	**4.13%**

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

PKF SRIDHAR & SANTHANAM LLP FIRM REG NO 003990S/S200018 CHENNAI

Dvara Kshetriya Gramin Financial Services Private Limited
Notes to the financial statements for the the year ended March 31, 2024
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

70A Disclosures under Appendix III-D of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)

Type of Restructuring		Other than CDR and SME Debt Restructuring					Total				
Asset Classification details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Restructured assets as on April 1, 2023	No.of borrowers	4,376.00	9,086.00	2,689.00	-	16,151.00	4,376.00	9,086.00	2,689.00	-	16,151.00
	Amount Outstanding	615.89	2,047.79	979.30	-	3,642.98	615.89	2,047.79	979.30	-	3,642.98
	Provision there on	73.14	781.16	337.42	-	1,191.72	73.14	781.16	337.42	-	1,191.72
Fresh restructuring during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
Upgradations to restructured standard category during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No.of borrowers	57.00	3.00	-	-	60.00	57.00	3.00	-	-	60.00
	Amount Outstanding	20.91	0.93	-	-	21.84	20.91	0.93	-	-	21.84
	Provision there on	2.23	0.41	-	-	2.64	2.23	0.41	-	-	2.64
Downgradation of restructured accounts during the year	No.of borrowers	15.00	(14.00)	(1.00)	-	-	15.00	(14.00)	(1.00)	-	-
	Amount Outstanding	0.58	(0.45)	(0.13)	-	0.00	0.58	(0.45)	(0.13)	-	0.00
	Provision there on	0.01	0.00	(0.01)	-	-	0.01	0.00	(0.01)	-	-
Write off / repaid restructured accounts during the year	No.of borrowers	4,300.00	9,082.00	2,689.00	-	16,071.00	4,300.00	9,082.00	2,689.00	-	16,071.00
	Amount Outstanding/Amount repaid	594.31	2,046.67	979.26	-	3,620.25	594.31	2,046.67	979.26	-	3,620.25
	Provision there on/reversed there on	70.91	780.22	337.42	-	1,188.54	70.91	780.22	337.42	-	1,188.54
Restructured accounts as on March 31, 2024	No.of borrowers	4.00	15.00	1.00	-	20.00	4.00	15.00	1.00	-	20.00
	Amount Outstanding	0.09	0.64	0.16	-	0.89	0.09	0.64	0.16	-	0.89
	Provision there on	0.00	0.53	0.01	-	0.55	0.00	0.53	0.01	-	0.55

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

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70B Disclosure under clause 28 of the Listing Agreement for Debt Securities

Particulars	As at March 31, 2024	As at March 31, 2023
a) Loans and advances in the nature of loans to subsidiaries	-	-
b) Loans and advances in the nature of loans to associates	-	-
c) Loans and advances in the nature of loans where there is		
(i) no repayment schedule or repayment beyond seven years	-	-
(ii) no interest or interest below section 186 of Companies Act	-	-
d) Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-

71 Disclosure under clause 16 of the Listing Agreement for Debt Securities

The listed debentures are secured by way of a specific charge on loan assets (Also refer Note 14 to the financial statements).

72 Disclosure of Comparison of provision as per IRAC norms and ECL pursuant to RBI circular, vide DNBS.PD.CC.No.109/22.10.106/2019-20 dated March 13, 2020 for the year ended March 31, 2024

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,76,619.62	1,000.53	1,75,619.09	713.19	287.34
	Stage 2	1,834.29	208.16	1,626.13	7.43	200.73
Sub total		**1,78,453.91**	**1,208.69**	**1,77,245.22**	**720.62**	**488.07**
Non Performing Assets (NPA)						
Sub-standard	Stage 3	5,081.31	2,994.79	2,086.52	1,270.33	1,724.46
Doubtful < 1 year	Stage 3	157.57	94.20	63.37	157.57	(63.37)
1 - 3 years	Stage 3	222.52	110.54	111.98	222.52	(111.98)
>3 years	Stage 3	67.14	40.53	26.61	67.14	(26.61)
Loss Assets	Stage 3	-	-	-	-	-
Subtotal		**5,528.55**	**3,240.06**	**2,288.49**	**1,717.57**	**1,522.49**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
Total	Stage 1	1,76,619.62	1,000.53	1,75,619.09	713.19	287.34
	Stage 2	1,834.29	208.16	1,626.13	7.43	200.73
	Stage 3	5,528.55	3,240.06	2,288.49	1,717.57	1,522.49
Total		**1,83,982.46**	**4,448.75**	**1,79,533.71**	**2,438.19**	**2,010.56**

In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning as at March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.)

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

P.R. SRIDHAR & SANTHANAM LLP FIRM REGN NO 003990S/S200018 CHENNAI

Disclosure of Comparison of provision as per IRAC norms and ECL pursuant to RBI circular, vide DNBS.PD.CC.No.109/22.10.106/2019-20 dated March 13, 2020 for the year ended March 31, 2023

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,54,924.85	345.36	1,54,579.49	619.70	(274.34)
	Stage 2	1,753.77	484.74	1,269.03	7.02	477.72
Sub total		**1,56,678.62**	**830.10**	**1,55,848.52**	**626.71**	**203.39**
Non Performing Assets (NPA)						
Sub-standard	Stage 3	5,315.72	2,170.28	3,145.45	1,328.93	841.35
Doubtful < 1 year	Stage 3	1,240.58	593.05	647.53	1,240.58	(647.53)
1 - 3 years	Stage 3	11.61	11.61	0.00	11.61	(0.00)
>3 years	Stage 3	5.00	5.00	0.00	5.00	-
Loss Assets	Stage 3	-	-	-	-	-
Subtotal		**6,572.92**	**2,779.94**	**3,792.98**	**2,586.13**	**193.81**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
Total	Stage 1	1,54,924.85	345.36	1,54,579.49	619.70	(274.34)
	Stage 2	1,753.77	484.74	1,269.03	7.02	477.72
	Stage 3	6,572.92	2,779.94	3,792.98	2,586.13	193.81
Total		**1,63,251.54**	**3,610.04**	**1,59,641.50**	**3,212.84**	**397.19**

73 i) Disclosure as per formal prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 dtAugust 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 05th May 2021 in respect of Resolution Framework I and Resolution Framework II, respectively, for Covid Related stress.

INR in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	2,510.10	2,139.18	2,164.34	275.33	70.42
Corporate persons*	-				
Of which MSMEs	-				
Others					
Total	**2,510.10**	**2,139.18**	**2,164.34**	**275.33**	**70.42**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

74 Business acquisition - Business Transfer Agreement with Saija Finance Private Limited

The Company owned a 25.9% stake in the Equity of Saija Finance Private Limited (Saija) on 1st Jan 2023 at a cost of INR 757 lacs. Subsequently, the company entered into a Business Transfer Agreement with Saija to acquire all the Assets, Liabilities, Employees, Branch Network and all the Contractual rights and Obligations of Saija as envisaged in the Business Transfer Agreement Dated 30th December 2022, which had come into effect from 01st January 2023 (BTA Date).

Subsequently, the company also entered into a Share Purchase Agreement dated 01st Feb 2023 with the other Shareholders of Saija to acquire the entire shareholding of Saija.

a. Accordingly, during the quarter ended 31st December 2023, the company acquired 78,70,000 equity shares of erstwhile Saija

b. The purchase of the shares of other investors of Saija is yet to be concluded.

74 Business acquisition - Business Transfer Agreement with Saija Finance Private Limited (continued)

The company had made an interim allocation of the purchase price and has accounted for INR 1,119.95 lacs of intangible assets while accounting for the various assets and liabilities taken over as on the BTA date. Pursuant to the completion of the measurement period of 1 year given in IND AS 103, the company has completed the accounting for the BTA, by recognising additional intangible assets (branch network) of INR 1,101.04 lacs and goodwill of INR 18.24 lacs as per the external valuation report obtained for this purpose. Amortisation of intangible assets w.e.f., BTA date has also been accounted for and previous quarter figures have been restated wherever necessary to give effect to the above accounting.

The Company has arrived at the total consideration paid by it for the acquisition of Saija's Assets and Liabilities as below and has also recognised a Goodwill of INR 18.24 lacs on account of the excess consideration paid over the value of the Branch Network acquired by it.

Particulars	Amount (in INR Lacs)
Branch Distribution network Intangibles	2,221.00
Goodwill	18.24
Total Intangibles created by virtue of BTA	**2,239.24**
Consideration Paid to Saija Promoter	336.88
Investment in Equity and Preference Share Capital of Saija	782.41
Net Liabilities Acquired from Saija	1,119.95
Total Purchase Consideration of Saija Acquisition	**2,239.24**

The Financial Year 2022-23 has been restated by virtue of completion of accounting of BTA transaction

Particulars	Customer Contract	Investment in Equity and Preference Share Capital of Saija	Branch Distribution network Intangibles	Goodwill
Gross value of assets as at 31st Dec 22(before BTA)	260.63	756.94	-	-
Amortization as at 31st Dec 22	(26.28)	-	-	-
Net value as at 31st Dec 22	**234.36**	**756.94**	-	-
BTA Adjustments				
Additional consideration paid	127.99	-	-	-
Net Liabilities taken over from Saija pursuant to BTA	-	-	1,119.95	-
Re-classification from customer contracts to investment	(25.47)	25.47	-	-
Opening balance of net block as at 1st Jan - Provisional accounting of BTA entries	**336.88**	**782.41**	**1,119.95**	-
Recognition of Branch Distribution network post valuation report	(336.88)	(782.41)	1,119.29	-
Goodwill recognised restricting branch network to 22.21 crores as per valuation report	-	-	(18.24)	18.24
Amortization during Jan to March 23	-	-	(87.30)	-
Net block as at 31st March 23(restated)	-	-	**2,133.70**	**18.24**
Net block as at 31st March 23(original)	**330.28**	**756.94**	**1,064.72**	-

75 Audit Log

The company has used the accounting software (a loan management software and a general ledger maintenance software) for maintaining its books of accounts, which has a feature of audit trail (edit log) facility, and the same has operated throughout the year for all the relevant transactions recorded in such software. For one of the accounting software mentioned above, the software is such that it has no database but only objects and collections, hence, no changes are possible at that level. The edit log of changes to the database of loan management software is under development. The audit trail (edit log feature) has not been tampered with during the year.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

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76 Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

77 Other statutory disclosures

a) The borrowing from banks and financial institutions have been used for the purposes for which it was taken as at the balance date.

b) The Company does not have any Benami property where any proceeding has been initiated or pending against the company to holding any Benami property.

c) The Company has verified for transactions with Struck-off companies by comparing Company's counter parties with publicly available database of struck of companies through a manual name search. Based on such a manual search, no party identified to be reported in the financial statements.

d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign (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.

g) The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with to understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any of

78 Previous period's figures have been regrouped / reclassified wherever necessary, to confirm with the current period presentation.

As per our report of even date
for PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's registration number: 003990S/S200018

P Devi
Partner
Membership No. 223137

Place : Chennai
Date : 30-May-2024

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Deepika Bhatt
Company Secretary
Membership No. F11027
Place : Delhi

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SHARP & TANNAN
chartered accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Dvara Kshetriya Gramin Financial Services Private Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Dvara Kshetriya Gramin Financial Services Private Limited (the 'Company'), which comprise the standalone balance sheet as at 31 March 2025, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows, and the standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SA's or 'Standards') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current financial year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

PRK

Key audit matters	How the matter was addressed in our audit
Impairment of loans to customers – expected credit loss and write-off Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. As at 31 March 2025, the Company has total gross loan assets of INR 1,88,225 Lakhs against which an impairment loss of INR 10,483 Lakhs has been recorded. The determination of impairment losses on loans is complex and is based on the application of significant management judgements, estimates and the use of different modelling techniques and assumptions, which have a material impact on reported profits. The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans. The key areas where we identified greater levels of management judgement are: 1. Segmentation of loans, staging of loans and determining the criteria for a significant increase in credit risk. 2. Model estimations – determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD") 3. Determining macro-economic factors impacting credit quality of receivables The Company has recognized technical write-offs amounting to Rs. 7,595 lakhs for the year ended 31 March 2025. Further, the Company has accelerated write-off of loan assets with an additional write-off of Rs. 2,428 lakhs for the year. ECL (including write-off) involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans. In view of such a high degree of Management's judgement involved in estimation of impairment of loan assets, it is a key audit matter.	**Our key audit procedures included:** 1. Review of the Company's accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework/policies approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time. 2. Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation to evaluate the reasonableness of the estimates. 3. Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Evaluated the controls over the modelling process, validation of data and related approvals. 4. Involved auditor's experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking and macro-economic factors. For annual review changes in ECL model, evaluated the basis of such change including the reasonableness and appropriateness of the same. 5. Assessed the criteria for staging loans based on their past-due status. Test-checked the computation of ECL, including assumptions and underlying arithmetical calculations. 6. Verified the arithmetical accuracy of the amounts of write-off of loans based on the ageing criteria approved by the Board of Directors. 7. Reviewed the appropriateness of disclosures made in the standalone financial statements as per the requirements of Ind AS.

Key audit matters	How the matter was addressed in our audit
Financial assets measured at fair value through other comprehensive income (FVTOCI) As at 31 March 2025, the Company has loans that are carried and measured at fair value through other comprehensive income (FVOCI) in accordance with Ind AS 109. The fair value of the loan assets as at 31 March 2025 is ₹ 50,656 lakhs (31 March 2024: ₹ Nil) The classification of loans at FVTOCI is dependent on the business model assessment of the Company whereby the management has determined that the aforesaid loans are designated to collect contractual cash flows and also to sell such financial assets. The fair value arrived by the management's valuation expert is derived using discounted cashflow models wherein the key assumptions include expected future cashflows, expected loss/default, expected costs and fees and discount rate. Given the business model assessment, the estimates involved in selecting the valuation basis, relative significance of these loans to the standalone financial statements and the nature and extent of procedures involved, we determined this to be a key audit matter.	**Our key audit procedures included:** 1. Reviewed that the 'Business Model Assessment Policy is approved by the Board of Directors of the Company 2. Evaluated the criteria adopted by the management in identification of the loan portfolio and reviewed the inputs used by the management in fair valuation. 3. Involved the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions used by the management to estimate the fair value. 4. Reviewed the valuation report, valuation methodology and underlying assumptions used to estimate fair value. Test-checked the arithmetical accuracy of the workings. 5. Reviewed the appropriateness of disclosures made in the standalone financial statements as per the requirements of Ind AS.

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the directors' report and the annexures thereto, but does not include the standalone financial statements and our report thereon. The other information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors and the management are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards ('Ind AS') and the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal 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 with reference to standalone 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 the management.

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- 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 auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and,

- evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matter

The comparative standalone financial statements pertaining to the financial year ended 31 March 2024 were audited by the predecessor auditor who had issued an unmodified audit opinion on such standalone financial statements vide their audit report dated 30 May 2024. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1) As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

   (c) the standalone balance sheet, the standalone statement of profit and loss, the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS notified 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

(g) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';

(h) 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), the provisions of the section 197 read with Schedule V of the Act is not applicable to the Company.

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

i. the Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts that 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 (which are material either aggregate or individually), as disclosed in Note 78(f) to the standalone financial statements, 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 to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the management has represented, that, to the best of its knowledge and belief, (which are material either aggregate or individually), as disclosed in Note 78(g) to the standalone financial statements, 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 to 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; and

(c) Based on our audit procedures, nothing has come to our notice that has caused us to believe that the representations provided by the management under sub-clause (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid dividend during the year.

vi. Based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software, other than the consequential impact of exceptions given below:

(a) the audit trail feature was not enabled at the database level for the Loan Origination System (KGFS Assist), the Loan Management System (Perdix) and the Payment disbursement system (Finezy), to log any direct data changes, used for maintenance of all relevant accounting records by the Company.
(b) the audit trail feature at database level was enabled at Human Resource Management System (Formula HR) only from the 26th of April 2024.

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

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar
Partner
Membership No. 225366
UDIN: 25225366BMKUEO8422

Place: Chennai
Date: 26 May 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dvara Kshetriya Gramin Financial Services Private Limited of even date)

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and the situation of its property, plant, and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of its intangible assets.

(b) According to the information and explanations given to us, the Management of the Company has physically verified the Property, Plant and Equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). In respect of immovable properties taken on lease by the Company and disclosed as leasehold improvements under property, plant & equipment and right of use assets in the standalone financial statements, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its property, plant, and equipment (including right of use assets) or intangible assets during the year. Hence, reporting under paragraph 3 (i)(d) of the Order does not arise.

(e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property, if any, under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988), as amended and Rules made thereunder. Hence, reporting under paragraph 3 (i)(e) of the Order does not arise.

(ii) (a) The Company is a non-banking finance company and does not carry any inventory in the books of account. Hence reporting under paragraph 3(ii)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and the records examined by us, the Company has been sanctioned working capital limits in excess of five crores, in aggregate, from banks during the year on the basis of security of current assets, and as disclosed in Note 15(b) to the standalone financial statements, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company. Further, the Company has not been sanctioned working capital limits from financial institutions during the year based on security of current assets.

(iii) According to the information and explanations given to us, the Company has not made investments in, stood any guarantee or provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms and Limited Liability Partnerships during the year. The Company has not made investments in, stood any guarantee or provided any security or granted any advances in the nature of loans, secured or unsecured, to other parties during the year.

According to the information and the explanation given to us, and the records of the

Company examined by us, the company has granted loans to its customers during the year, in respect of which:

(a) Reporting under paragraph 3(iii)(a) of the Order does not arise as it is not applicable to non-banking finance companies.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, in our opinion, the terms and conditions of all loans granted by the company during the year are, prima facie, not prejudicial to the company's interest.

(c) According to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The repayments of principal and payments of interest are regular except for those disclosed in Note 74 to the standalone financial statements. Considering that the Company is engaged in the business of lending and leasing and the volume of transactions involved, it is not practicable to furnish party-wise details where repayments of principal and payments of interest are not regular.

(d) The total amount overdue for more than ninety days as at the balance sheet date is disclosed in Note 74 to the standalone financial statements. Based on our audit procedures and the information and explanations given to us, reasonable steps have been taken by the company for recovery of the principal and interest.

(e) Reporting under paragraph 3(iii)(e) of the Order does not arise as it is not applicable to non-banking finance companies.

(f) The company has not granted any loans or advances in the nature of loans during the year, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Act. Hence reporting under paragraph 3(iii)(f) of the Order does not arise.

(iv) According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee, or provided any security to the parties covered under Section 185 of the Act and the Company has not given any loan or made investment covered under section 186 of the Act. Hence, reporting under paragraph 3 (iv) of the Order does not arise.

(v) The provisions of sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 made thereunder are not applicable to non-banking finance companies. Further, according to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard. Hence, reporting under paragraph 3 (v) of the Order does not arise.

(vi) The Central Government has not specified maintenance of cost records under section 148(1) of the Act read together with Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company. Hence, reporting under paragraph 3 (vi) of the Order does not arise.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, professional tax, labour welfare fund, cess and other material statutory dues applicable to the Company, if any, with appropriate authorities. According to the information and explanations given to us, and the records of the Company examined by us, there were no undisputed amounts payable in respect of goods and services tax, income tax, provident fund, employees' state insurance, professional tax, labour welfare fund, cess and other material statutory dues, if any, outstanding as at 31 March 2025 for a period of more than six months from the date they became payable. Sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of service tax as at 31 March 2025 which have not been deposited with statutory authorities on account of a dispute pending is as follows:

Name of the statute	Period to which the amount relates	Forum where disputes are pending	Amount involved (Rs. In lakhs)	Amount disputed and not paid (Rs. In lakhs)
Finance Act 1994 – Service Tax	April 2010 to April 2015	Customs, Exercise & Service tax Appellate Tribunal	66.29	63.61

According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, professional tax, labour welfare fund, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, if any, as at 31 March 2025 which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not surrendered or disclosed any transaction not recorded in the books of account, if any, as income in the tax assessments under Income Tax Act, 1961 (43 of 1961) during the year. Hence, reporting under paragraph 3 (viii) of the Order does not arise.

(ix) (a) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders during the year. Hence, reporting under paragraph 3 (ix)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us, on an overall basis, the company has applied the term loans for the purposes for which they were obtained other than funds temporarily placed in bank fixed deposits, pending utilization of funds as per respective sanction terms.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, the funds raised on a short-term basis have not been used for long-term purposes by the company.

(e) According to the information and explanations given to us and the records of the Company examined by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiary or joint venture. Hence, reporting under paragraph 3 (ix)(e) of the Order does not arise.

(f) According to the information and explanations given to us and the records of the Company examined by us, the company has raised not loans during the year on the pledge of securities held in its associate company. The Company does not have any subsidiary or joint venture. Hence, reporting under paragraph 3 (ix)(f) of the Order does not arise.

(x) (a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under paragraph 3(x)(a) of the Order does not arise.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence, reporting under paragraph 3 (x)(b) of the Order does not arise.

(xi) (a) To the best of our knowledge and during the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year, except for the following instances identified by the management, as stated under Note 50 to the standalone financial statements:

(i) instances relating to manipulation through fictitious accounts and forged documents due to collusion of employees at one of the branches of the Company, amounting to Rs.71 lakhs; and,

(ii) instances relating to misappropriation of funds and criminal breach of trust in the nature of cash embezzlement by its employees at various branches amounting to Rs.69.10 lakhs.

(b) According to the information and explanations given to us, and based on our audit procedures, no report under section 143(12) of the Act has been filed by the auditors during the year in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Hence, reporting under paragraph 3(xii) of the Order does not arise.

(xiii) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

(xv) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year, and hence provisions of section 192 of the Act are not applicable to the company. Hence, reporting under paragraph 3(xv) of the Order does not arise.

(xvi) (a) The company is a non-banking finance company and is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the Company.

(b) According to the information and explanations given to us, the Company has not conducted any non-banking finance activities during the year without a valid Certificate of Registration (COR) from the Reserve Bank of India.

(c) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is not a Core Investment Company as defined in the Regulations made by the Reserve Bank of India. Hence, reporting under paragraph 3(xvi)(c) of the Order does not arise.

(d) As represented to us by the management, there are no Core Investment Companies in the Group.

(xvii) The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of the 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 as the information provided being futuristic in nature has been verified only to the extent of information and explanations given to us. We further state that our reporting is based on the facts up to the date of the audit report and we neither provide any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, and based on our audit procedures, in respect to other than ongoing projects, the Company is not required to transfer any amount to a Fund specified in Schedule VII of the Act. Hence, reporting under paragraph 3(xx)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and based on our audit procedures, in respect of ongoing projects, the Company is not required to transfer any amount to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. Hence, reporting under paragraph 3(xx)(b) of the Order does not arise.

(xxi) The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar
Partner
Membership No. 225366
UDIN: 25225366BMKUEO8422

Place: Chennai
Date: 26 May 2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dvara Kshetriya Gramin Financial Services Private Limited of even date)

Report on the internal financial controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to standalone financial statements of Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A

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Company's internal financial controls with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar
Partner
Membership No. 225366
UDIN: 25225366BMKUEO8422

Place: Chennai
Date: 26 May 2025

Dvara Kshetriya Gramin Financial Services Private Limited
Balance Sheet as at March 31, 2025
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	4	27,169.67	24,951.54
Bank balance other than cash and cash equivalents	5	9,235.52	12,627.92
Derivative financial instruments	12	674.75	-
Trade receivables	6	278.22	384.03
Loans	7	1,77,741.81	1,79,533.70
Investments	8	1,963.02	81.21
Other financial assets	9	1,695.06	1,090.33
		2,18,758.05	**2,18,668.73**
Non-financial assets			
Current tax assets (net)		805.40	1,449.04
Deferred tax assets (net)	32	1,598.65	1,720.31
Property, plant and equipment	10	731.85	600.09
Intangible asset under development	10C	83.19	59.05
Goodwill	10A	227.88	227.88
Other intangible assets	10A	1,527.44	1,878.35
Right of use assets	10B	1,127.36	1,073.39
Other non-financial assets	11	1,153.19	1,096.30
		7,254.96	**8,104.42**
Total Assets		**2,26,013.01**	**2,26,773.15**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	-	987.51
Payables			
a) Trade payables	13		
(i) dues of micro enterprises and small enterprises		5.55	-
(ii) dues other than micro enterprises and small enterprises		417.43	514.17
Debt securities	14	58,469.24	40,991.88
Borrowings (other than debt securities)	15	1,02,755.21	1,30,579.80
Subordinated liabilities	15a	13,716.78	7,786.15
Other financial liabilities	16	7,303.60	6,355.83
		1,82,667.81	**1,87,215.34**
Non-financial liabilities			
Provisions	17	421.50	482.56
Other non-financial liabilities	18	508.74	314.85
		930.24	**797.41**
EQUITY			
Equity share capital	19	11,666.48	10,887.14
Instruments entirely equity in nature	20A	-	3,584.93
Other equity	20	30,748.48	24,288.33
		42,414.96	**38,760.40**
Total Liabilities and Equity		**2,26,013.01**	**2,26,773.15**
Accounting policies	2 & 3		

The notes referred to above form an integral part of these financial statements

As per our report of even date
for **Sharp & Tannan**
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 26, 2025

Director & Chairperson
For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Rajalakshmi S
Company Secretary
Membership No. A56123
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited
Statement of Profit and Loss for the the year ended March 31, 2025
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	21	51,974.82	46,981.12
Fees and commission income	22	1,847.17	2,081.01
Net gain on fair value changes	23	449.33	430.62
Net gain on derecognition of financial instruments	24	5,297.14	5,338.30
Recovery of bad debts		736.42	1,535.43
Total revenue from operations		**60,304.88**	**56,366.48**
Other income	25	80.14	145.37
Total income (A)		**60,385.02**	**56,511.85**
Expenses			
Finance costs	26	26,204.40	23,442.32
Fees and commission expense	27	558.72	665.82
Impairment on financial instruments	28	16,083.71	8,180.39
Employee benefits expenses	29	12,453.82	11,383.02
Depreciation and amortization expenses	30	1,322.24	1,304.18
Other expenses	31	3,921.71	4,529.74
Total expenses (B)		**60,544.60**	**49,505.47**
Profit before tax ((C) = (A) - (B))		**(159.58)**	**7,006.38**
Tax expense:			
Current tax		1,042.80	1,420.75
Deferred tax		(1,199.31)	832.68
Tax credit for earlier year		(121.38)	-
Total tax expense (D)		**(277.89)**	**2,253.43**
Profit after tax for the period ((E) = (C) - (D)		**118.31**	**4,752.95**
Other comprehensive income			
A (i) Items that will not be reclassified to profitt or loss			
- Remeasurement gain / (loss) on defined benefit plans		143.97	(120.47)
(ii) Income tax impact thereon		(41.92)	35.08
B (i) Items that will be reclassified to profitt or loss			
- Hedge reserve account (net)		160.19	(994.41)
- Fair Valuation Reserve (net)		4,649.00	-
(ii) Income tax impact thereon		(1,400.44)	289.57
Total other comprehensive income/(expense) for the period (F)		**3,510.80**	**(790.23)**
Total comprehensive income for the period		**3,629.11**	**3,962.72**
Earnings per equity share (face value Rs.100 each)			
- Basic (in Rs.)	33	1.01	40.74
- Diluted (in Rs.)	33	1.01	40.71
		Annualised	Annualised

The notes referred to above form an integral part of these financial statements

As per our report of even date
for **Sharp & Tannan**
Chartered Accountants
Firm's registration number:

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 26, 2025

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairperson
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer

Rajalakshmi S
Company Secretary
Membership No. A56123
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited
Satndalone Statement of cashflows for the year ended March 31, 2025
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Cash flow from operating activities		
Profit before tax	(159.58)	7,006.38
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	1,322.24	1,304.18
Impairment on financial instruments (net)	16,083.71	8,180.45
Finance costs	26,204.40	23,442.32
Provision for employee stock option plan	25.43	(36.34)
Interest on deposits with Banks	(929.94)	(745.91)
Interest income on loans and investments	(50,987.20)	(50,940.13)
Interest on security deposit - Ind AS adjustment	(9.61)	-
Net gain / (loss) on derecognition of property, plant and equipment	2.44	-
Gain on mutual funds investments designated at FVTPL	(449.33)	(424.40)
Operating profit before working capital changes	**(8,897.44)**	**(12,213.47)**
Changes in working capital and other changes:		
Decrease/(Increase) in trade receivables	70.65	254.04
Decrease/(Increase) in other bank balances	3,376.25	(2,785.01)
Decrease/(Increase) in loans	(8,032.30)	(23,661.50)
Decrease/ (Increase) in other financial assets	(675.16)	(104.02)
Decrease/ (Increase) in other non financial assets	(56.89)	336.74
Increase/(Decrease) in trade payables, other liabilities and provisions	(540.18)	1,011.97
Cash flow from operating activities post working capital changes	**(14,755.07)**	**(37,161.25)**
Interest income received	49,531.05	46,529.03
Finance cost paid	(26,888.93)	(21,956.32)
Cash flow used in operating activities	**7,887.05**	**(12,588.53)**
Income tax paid (net)	(399.16)	(1,530.92)
Net cash flow used in operating activities	**7,487.89**	**(14,119.45)**
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	3.01	3.69
Purchase of property, plant and equipment	(592.38)	(1,111.67)
Increase of intangible asset under development	(24.14)	(59.05)
Increase of intangible assets	(180.01)	(139.08)
Increase of goodwill	-	(0.95)
Purchase of investments (net)	(1,875.93)	(6.22)
Proceeds from sale of mutual fund (net)	442.24	424.40
Interest on deposits with banks	1,002.28	325.15
Net cash flow from investing activities	**(1,224.93)**	**(563.71)**
C. Cash flow from financing activities		
Proceeds from issue of debt securities (net of repayments)	17,766.41	14,055.09
Proceeds from issue of borrowings (net of repayments)	(27,551.88)	12,245.43
Subordinated liabilities	6,232.79	5,772.72
Payment of lease liability	(492.15)	(268.83)
Net cash flow from financing activities	**(4,044.83)**	**31,804.41**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**2,218.13**	**17,121.24**
Cash and cash equivalents at the beginning of the year	24,951.54	7,830.30
Cash and cash equivalents at the end of the period	**27,169.67**	**24,951.54**



Particulars	As at March 31, 2025	As at March 31, 2024
1 Components of cash and cash equivalents		
Cash and cheques on hand	258.63	235.12
Balances with banks		
-In current accounts	16,274.45	17,716.42
-In deposit accounts with original maturity less than three months	10,636.58	7,000.00
	27,169.67	**24,951.54**

As per our report of even date
for **Sharp & Tannan**
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 26, 2025

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Rajalakshmi S
Company Secretary
Membership No. A56123
Place : Chennai

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Dvara Kshetriya Gramin Financial Services Private Limited
Statement of changes in equity for the the year ended March 31, 2025
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

A Equity share capital

Particulars	Number of shares	Amount
Balance as at April 01, 2023	**1,08,87,144**	**10,887.14**
Add: Shares issued during the year	-	-
Balance as at March 31, 2024	**1,08,87,144**	**10,887.14**
Balance as at April 01, 2024	**1,08,87,144**	**10,887.14**
Add: Shares issued during the year	7,79,333	779.33
Balance as at March 31,2025	**1,16,66,477**	**11,666.48**

B Other equity

	Reserves and Surplus						Other Comprehensive Income			
	Statutory Reserves	Securities Premium	Capital Reserve	Retained Earnings	Employee stock option outstanding	General Reserve	Defined Benefit Obligations	Cash Flow Hedge Reserve	Fair Valuation Reserve	Total
Balance as at April 01, 2023	**1,546.19**	**35,504.84**	**1,329.46**	**(18,275.65)**	**409.76**	-	-	**(152.64)**	-	**20,361.95**
Share based expenses	-	-	-		(36 34)	-	-	-	-	(36.34)
Profit for the year	-	-	-	4,752.95	-	-	-	-	-	4,752.95
Transfer to statutory reserve	950.59	-	-	(950.59)	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	(85.39)	(704.84)	-	(790.23)
Transferred to retained earnings	-	-	-	(85.39)	-	-	85.39	-	-	-
On account of employee stock options lapsed	-	-	-	-	(166.71)	166.71	-	-	-	-
Balance as at March 31, 2024	**2,496.78**	**35,504.84**	**1,329.46**	**(14,558.67)**	**206.70**	**166.71**	-	**(857.49)**	-	**24,288.33**
Balance as at April 01, 2024	**2,496.78**	**35,504.84**	**1,329.46**	**(14,558.67)**	**206.70**	**166.71**	-	**(857.49)**	-	**24,288.33**
Share based expenses	-	-	-		25.43	-	-	-	-	25.43
Profit for the year	-	-	-	118.31	-	-	-	-	-	118.31
Transfer to statutory reserve	23.66	-	-	(23.66)	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	102.05	113.55	3,295.21	3,510.81
Transferred to retained earnings	-	-	-	102.05	-	-	(102.05)	-	-	(0.00)
On issue of compulsorily convertible preference shares	-	2,805.60	-	-	-	-	-	-	-	2,805.60
On account of employee stock options lapsed	-	-	-	-	(14.10)	14.10	-	-	-	-
Balance as at March 31,2025	**2,520.44**	**38,310.44**	**1,329.46**	**(14,361.97)**	**218.03**	**180.81**	-	**(743.94)**	**3,295.21**	**30,748.48**

Accounting policies 2 and 3

The notes referred to above form an integral part of these financial statements.

for Sharp & Tannan
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 26, 2025

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Rajalakshmi S
Company Secretary
Membership No. A56123
Place : Chennai

1 Reporting entity

Dvara Kshetriya Gramin Financial Services Private Limited ("Dvara KGFS" or "the Company") was incorporated on March 4, 1993. The Company has received the Certificate of Registration dated August 8, 2013, from the Reserve Bank of India ("RBI") to carry on the business of a Non-Banking Financial Institution Middle Layer without accepting public deposits ("NBFC-ML ").

The Company also acts as a business partner for Banks, Insurance Companies, and Non-Banking Finance Companies and as an intermediary to deliver financial and other products to remote rural areas.

The Company's mission is to maximise the financial well-being of every individual and every enterprise by providing complete financial services in remote rural areas.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and notified under Section 133 of the Companies Act, 2013 ('the Act') in conformity with generally accepted accounting principles in India along with other relevant provisions of the Act.

The financial statements have been prepared and presented on going concern basis and at a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, under the relevant provisions of the Companies Act, 2013 (the "Act")

The accounting policies and practices followed in the preparation of the financial statements for the year ended 31 March 2025 are consistent with those applied in the financial statements for the year ended 31 March 2024, except for the change in accounting policy as explained in the paragraphs below.

Until 31 March 2024, the Company expensed all costs incurred in relation to the origination of loans in the period in which they were incurred. This included both direct origination costs, including but not limited to credit verification charges and documentation expenses, as well as success-based costs, including but not limited to sourcing costs and performance-linked payments.

With effect from 1 April 2024, the Company has revised its accounting policy for the treatment of loan origination and success-based costs to align with the recognition and measurement principles prescribed under Ind AS 109 – Financial Instruments. Under the revised policy, such costs that are directly attributable to the origination of identifiable financial assets are capitalised as part of the initial carrying amount of the loan asset. These capitalised costs are subsequently amortised over the expected tenure of the loan asset using the Effective Interest Rate (EIR) method. The resulting amortisation is recognised as an adjustment to interest income in the Statement of Profit and Loss over the life of the financial asset.

In instances where loans are prepaid, foreclosed, or otherwise derecognised before contractual maturity, any unamortised portion of the capitalised costs is charged off to the Statement of Profit and Loss immediately. This revised policy provides a more accurate representation of the yield on financial assets in accordance with the EIR principles mandated under Ind AS 109.

The new accounting policy has been applied prospectively from 1 April 2024. In accordance with the transitional provisions of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, no retrospective restatement of prior period figures has been made, as such restatement is not practicable. The implementation of this revised policy has resulted in an increase in the profit for the year ended 31 March 2025 by ₹1.509 Lakh, on account of the amortisation of expenses over the period of the Loan asset created which, under the earlier policy, would have been recognised upfront.

Details of the company's material accounting policies are disclosed in note 3.

2.2 Presentation of financial statements

The Balance sheet, the Statement of profit and loss and the Statement of changes in equity are presented in the format prescribed under Division III of Schedule III to the Act and as amended from time to time, for Non-Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

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

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs with two decimals as permitted by Schedule III to the Act unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value / Amortised Cost, as applicable
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, make judgments, and make assumptions. These estimates, judgments, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported income and expenses during the period. The accounting estimates could change from period to period. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in estimates, if material, are reflected in the financial statements in the year in which changes are made, and their effects are disclosed in the notes to the financial statements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent f inancial years could differ from the Management's estimates and judgements. Revision to accounting estimates are recognised prospectively.

Information about judgements, estimates and assumptions made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

i) Business model assessment

The classification and measurement of financial assets depends on the results of the business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate, and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

ii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Also, refer to note 3.8.

iii) Effective Interest Rate ("EIR") method

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

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

During the quarter, certain transactions costs have been identified and amortised over the expected life of the loan using the Effective Interest Rate method which had been recognised upfront earlier, for loans disbursed with effect from April 01, 2024. This has resulted in an increase in the loss for the quarter ended December 31 2024 and a decrease in the loss for the quarter ended March 31 2025 by INR 91.89 Lakhs, INR 157.24 Lakhs respectively and increase in the profit for the year ended 31 March 2025 by INR 1,779.69 Lakhs.

iv) Loans Measured at Fair Value through Other Comprehensive Income (FVTOCI)

The Company classifies certain financial assets within the category of fair value through other comprehensive income (FVTOCI) where both of the following conditions are met:

(i) the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
(il) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

The assessment of the business model is carried out at a portfolio level and reflects how financial assets are managed to achieve the stated business objective. This includes evaluating the historical pattern of sales, the significance and frequency of such sales, and the manner in which performance is evaluated and reported. A financial asset is classified under this category only when there is clear evidence that sales are an integral part of the portfolio management strategy.

Financial assets classified under FVTOCI are initially recognised at fair value plus transaction costs. Subsequent measurement is at fair value, with changes in fair value recognised in other comprehensive income (OCI). However, interest income, impairment losses or reversals, and foreign exchange gains or losses are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognised in OCI are reclassified to the statement of profit and loss.The classification is reviewed periodically to ensure consistency with the Company's actual asset management practices

v) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and allowances for financial assets should be measured on a lifetime expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

vi) Impairment of non-financial assets

The company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets including goodwill. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset unless the asset does not generate cash inflow that is largely independent of those from other assets or groups of assets. The recoverable amounts of such assets are estimated if any indication exists, and impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

vii) Other estimates, judgements and assumptions

Information about other estimates, judgements and assumptions that have the most significant effect to the financial statements within the next financial year are included in the following notes:

a) Measurement of defined benefit obligations: key actuarial assumptions; (refer note 3.12)
b) Estimated useful life of property, plant and equipment, right of use assets and intangible assets; (refer note 3.10)
c) Recognition of deferred taxes; (refer note 3.14)
d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.
e) Provisions and other contingent liabilities (refer note 3.19)

3 Material accounting policies

3.1 Revenue Recognition

The company's revenue primarily consists of interest income on loans, distribution income on the sale of other financial products and services to the partners.

3.1 Revenue Recognition (continued)

A. Interest and processing fee income on loans

Interest income is recognised using effective interest rate (EIR) on all financial assets measured at amortised cost, financial instruments measured at Fair value through other comprehensive income ('FVOCI') and Fair value through profit and loss ('FVTPL').

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

The calculation takes into account all contractual terms of the financial instrument and includes any fees (such as processing fee) or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

B. Other interest income:

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

C. Fees and Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at transaction price, based on a five-step model as set out below, unless they are included in the effective interest rate (EIR) calculation under Ind AS 109:

Step 1: Identify contract(s) with a customer – A contract is an agreement between two or more parties that creates enforceable rights and obligations and must meet specific criteria.

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

Step 3: Determine the transaction price – The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring goods or services, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract – For contracts with multiple performance obligations, the Company allocates the transaction price based on the standalone selling price of each obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation – Revenue is recognised at a point in time or over time, depending on when control of the service is transferred to the customer.

D. Net gain on fair value changes

Mutual fund investments of the company are classified as financial assets measured at fair value through profit or loss (FVTPL). Changes in fair value, including unrealised gains/losses, are recognised in the Statement of Profit and Loss under "Net gain on fair value changes." Realised gains/losses on redemption are also recognised on a net basis in the same line item.

E. Net gain/(loss) on derecognition of financial instruments under the amortised cost category

The Company enters into direct assignment transactions by transferring loan assets measured at amortised cost. Where the transaction meets derecognition criteria, the loan assets are derecognised, and the resulting net gain or loss is recognised in the Statement of Profit and Loss. The gain or loss represents the difference between the consideration received, discounted present value of future cash inflows, and the carrying amount of the assets.

E. Other income

All items of other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost

ii) Fair value through other comprehensive income ("FVOCI")

iii) Fair value through profit and loss ("FVTPL")

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

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

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

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

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

Sole Payments of Principal and Interest (SPPI test)

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

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

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost (AC)

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

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the quarter ended June 30, 2024.

3.5 Derecognition and modification of financial assets and liabilities

A. De-recognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from The asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit or Loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

B. Modifications of financial assets and financial liabilities

i) Financial Assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in Statement of profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income using EIR method.

Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

ii) Financial Liability

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

3.6 Impairment of financial assets

A. Overview of Expected Credit Loss ('ECL') principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

A. **Overview of Expected Credit Loss ('ECL') principles (continued)**

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

Stages	Days Past Due	ECL	Risk
Stage 1	Upto 30 days	12 month ECL	Low credit risk
Stage 2	31-90 days	Life time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life time ECL	Impaired assets

B. **Calculation of ECLs**

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

PD:

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

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

LGD:

Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

The mechanics of the ECL method are summarised below:

Stage 1:

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

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

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

C. Loans and advances measured at FVOCI

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

3.7 Write-offs

According to its Board-approved Provisioning and Write-off Policy, the Company assesses write-offs of unsecured loan assets at an individual level based on borrower capacity and other factors. Secured loans are not written off due to enforceable collateral. Write-offs are classified as: (a) Compromise Settlements—based on negotiated settlements with partial recovery; and (b) Technical Write-offs—based on prolonged non-performance or untraceable borrowers. Where write-offs exceed existing ECL provisions, the shortfall is recognised in the Statement of Profit and Loss under 'Bad debts written off – Loan Assets'

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

3.10 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful life	Useful life as per Schedule II
Furniture and fittings	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computers and accessories	3 years	3 years
Leasehold improvements	Lower of Lease period or 10 years	Not applicable

Depreciation on additions (disposals) is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed of).

3.11 Intangible assets

i. Goodwill

For measurement of goodwill that arises on a business combination refer note 3.16. Subsequent measurement is at cost less any accumulated impairment losses.

i. Other intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset category	Estimated Useful life
Computer software	5 years
Branch distribution network	5 years
Internally Generated Software	4 years
Customer contract	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.12 Employee benefits

i. Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits LTI

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

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

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

iv. Stock based compensation

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

v. Long service bonus

The company provides for a long-term service bonus covering eligible employees, under which an eligible bonus payment is paid to vested employees based on the conditions provided in the company's policy from time to time. The company accounts for its liability for future bonus payble based on actuarial valuation determined at each balance sheet date by an Independent Actuary.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under a defined benefit plan are based on the market yields on Government Securities as at the balance sheet date.

v. Long service bonus (continued)

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.13 Leases

The Company has adopted Ind AS 116, effective April 1, 2018 (transition date) and applied it to all lease contracts existing on that date using the full retrospective method. At inception of a contract, the Company assesses whether 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.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under A purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal Period if the company is reasonably certain to exercise an extension option, and penalties for early termination of A lease unless the company is reasonably certain Not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets separately on the face of the balance sheet and lease liability under other financial liabilities.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for shorter leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

3.14 Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

iii. Minimum Alternate Tax ("MAT")

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

3.15 Business combinations

In accordance with Ind AS 103, the Company accounts for these business combinations (other than those arising from common control) using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exist clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Business combination arising from transfer of interests from entities under common control are accounted for as if the acquisition has occurred at beginning of the earliest comparative period or, if later, at the date that common control established; for this purpose comparative period of revised. The assets and liabilities are recognized at their carrying amounts. The identity of the reserves are preserved and they appear in the same form.

3.16 Cash and cash equivalents

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

3.17 Segment reporting- Identification of segments:

An operating segment is a component of the Company that engages in business activities from which it many earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.



3.18 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the period after giving impact of dilutive potential equity shares for the period by the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where the results are anti-dilutive.

3.19 Provisions

Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

3.21 Derivative financial instruments:

The Company enters into derivative contracts, specifically Cross Currency Interest Rate Swaps (CCIRS) and Cross Currency Rate Swaps (CCRS), to hedge its exposure to foreign currency and interest rate risks arising from foreign currency borrowings. These derivative instruments are designated as hedging instruments in cash flow hedge relationships in accordance with the requirements of Ind AS 109 - Financial Instruments. The Company does not enter into derivative contracts for speculative or trading purposes.

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at fair value at each reporting date. A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and whether it qualifies for hedge accounting under Ind AS 109.

For derivatives designated as cash flow hedges, the effective portion of the changes in the fair value of the derivative is recognised in Other Comprehensive Income and accumulated in equity under the heading 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion, if any, is recognised immediately in the Statement of Profit and Loss. The amounts recognised in Other Comprehensive Income, accumulated in equity are reclassified to the Statement of Profit and Loss in the periods in which the hedged item affects profit or loss, typically within finance costs or foreign exchange gains or losses, depending on the nature of the hedged item.

The effective portion of the hedge is determined as the lower of the cumulative gain or loss on the hedging instrument from the inception of the hedge and the cumulative change in the fair value of the expected future cash flows of the hedged item from the inception of the hedge. The Company assesses hedge effectiveness at inception and on an ongoing basis to ensure that the hedge relationship meets all qualifying criteria for hedge accounting under Ind AS 109. Effectiveness may be assessed through qualitative or quantitative methods, depending on the complexity and structure of the hedging relationship.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when the hedge no longer qualifies for hedge accounting. Upon discontinuation, any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is reclassified to the Statement of Profit and Loss when the forecasted transaction affects profit or loss.

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4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Cash on hand	258.63	235.12
Balances with banks		
- in current accounts	16,274.45	17,716.42
- in deposit accounts (Original maturity less than three months)	10,636.58	7,000.00
Total	**27,169.67**	**24,951.54**

Note: Balance with Banks in current accounts includes balance in Cash Credit accounts with banks.

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposit accounts under lien*	9,158.71	11,695.70
Deposit accounts without lien	76.81	932.21
Total	**9,235.52**	**12,627.92**

***Note:**

(i) Fixed deposit includes cash collateral amounting to Rs 2,898.19 Lakhs (March 31, 2024 : Rs.4,546.66 Lakhs) for securitisation transactions.

(ii) Balance fixed deposits other than those mentioned above has been provided as security for loans taken by the company.

6 Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	313.38	384.03
Less: Impairment loss allowance (receivables)	(35.16)	-
Total	**278.22**	**384.03**

6.1 Receivables ageing schedule as on March 31, 2025

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i) Undisputed – considered good	261.02	12.18	3.14	1.88	278.22
(ii) Undisputed – have significant credit risk	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-
(v) Disputed – have significant credit risk	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	34.70	0.46	35.16
Trade Receivables	**261.02**	**12.18**	**37.84**	**2.34**	**313.38**
Less: Impairment loss allowance (receivables)	-	-	(34.70)	(0.46)	(35.16)
Total	**261.02**	**12.18**	**3.14**	**1.88**	**278.22**

6.2 Receivables ageing schedule as on March 31, 2024

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i) Undisputed – considered good	302.42	35.89	33.88	11.84	384.03
(ii) Undisputed – have significant credit risk	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-
(v) Disputed – have significant credit risk	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-
Trade Receivables	**302.42**	**35.89**	**33.88**	**11.84**	**384.03**
Less: Impairment loss allowance (receivables) -	-	-	-	-	-
Total -	**302.42**	**35.89**	**33.88**	**11.84**	**384.03**

7 **Loans**

At Amortised cost

Particulars	As at March 31, 2025			As at March 31, 2024		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
A Based on nature						
Term Loans						
Gross term loans ***	1,31,627.17	56,597.66	1,88,224.84	1,83,982.46	-	1,83,982.46
Less: Impairment loss allowance	(10,181.51)	(301.49)	(10,483.03)	(4,448.75)	-	(4,448.75)
Net term loans	**1,21,445.64**	**56,296.17**	**1,77,741.81**	**1,79,533.70**	**-**	**1,79,533.70**
B Based on security						
Secured by tangible assets*	902.94	-	902.94	967.51	-	967.51
Unsecured	1,30,724.23	56,597.66	1,87,321.90	1,83,014.95	-	1,83,014.95
Gross term loans	**1,31,627.17**	**56,597.66**	**1,88,224.84**	**1,83,982.46**	**-**	**1,83,982.46**
Less: Impairment loss allowance**	(10,181.54)	(301.49)	(10,483.03)	(4,448.75)	-	(4,448.75)
Net term loans	**1,21,445.64**	**56,296.17**	**1,77,741.81**	**1,79,533.71**	**-**	**1,79,533.71**
C Based on region						
Loans in India						
Public sector	-			-	-	-
Others	1,31,627.17	56,597.66	1,88,224.84	1,83,982.46	-	1,83,982.46
Less: Impairment loss allowance**	(10,181.54)	(301.49)	(10,483.03)	(4,448.75)	-	(4,448.75)
Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Net term loans	**1,21,445.64**	**56,296.17**	**1,77,741.81**	**1,79,533.70**	**-**	**1,79,533.70**

Note:

*Secured exposures are secured by way of equitable mortgage of property and physical gold.

** Refer Note 74

***In accordance with its accounting policy for business model assessment, the Company has designated certain loans at fair value through other comprehensive income ("FVOCI"), which has been held to collect contractual cashflows and to sell. Accordingly, such loan assets have been measured/recognised at fair value through other comprehensive income and the fair value of the loan assets as at March 31, 2025 is Rs. 50,656 lakhs including an unrealised gain of Rs. 4,649 lakhs.

8 **Investments**

Particulars	As at March 31, 2025	As at March 31, 2024
At Fair Value through P&L		
Investment in Mutual Fund Liquid fund *	88.30	81.21
Investment in pass-through certificates (unquoted)		
Akara Capital Advisors Private Limited	1,874.72	-
Total Investments	**1,963.02**	**81.21**
(i) Investments outside India	-	-
(ii) Investments in India	1,963.02	81.21
Total Investments	**1,963.02**	**81.21**

* The mutual fund is lien marked against the borrowings of the company.

9 Other financial assets

Unsecured, considered good (At Amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	158.19	193.12
Unbilled revenue	101.44	332.61
Employee advances	114.14	67.01
Other's	1,321.29	497.59
Total	**1,695.06**	**1,090.33**

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Dvara Kshetriya Gramin Financial Services Private Limited
Notes to the financial statements for the the year ended March 31, 2025
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

10 Property, plant and equipment

Particulars	Computers and Accessories	Furniture and fittings	Leasehold improvements	Office equipment	Vehicles	Total
As at April 01, 2023	**536.32**	**43.65**	**398.23**	**542.47**	**0.95**	**1,521.63**
Additions	213.75	2.08	78.28	128.71	-	422.82
Deletions	(0.75)	(0.34)	-	(2.60)	-	(3.69)
As at April 01, 2024	**749.32**	**45.40**	**476.51**	**668.58**	**0.95**	**1,940.76**
Additions	330.07	2.75	88.45	171.11	-	592.38
Deletions	(6.97)	(33.13)	(1.74)	(59.59)	(0.44)	(101.87)
As at March 31, 2025	**1,072.42**	**15.02**	**563.23**	**780.10**	**0.51**	**2,431.27**
Accumulated depreciation						
As at April 01, 2023	**397.83**	**22.79**	**269.44**	**368.19**	**0.74**	**1,058.99**
Depreciation for the year	142.19	2.97	42.20	94.30	0.02	281.68
Deletion	-	-	-	-	-	-
As at April 01, 2024	**540.02**	**25.76**	**311.64**	**462.50**	**0.76**	**1,340.67**
Depreciation for the period	246.99	12.61	62.28	133.12	0.17	455.16
Deletion	(6.62)	(30.68)	(1.65)	(57.01)	(0.44)	(96.41)
As at March 31, 2025	**780.38**	**7.69**	**372.27**	**538.60**	**0.48**	**1,699.42**
Carrying amount (net)						
As at April 01, 2024	**209.30**	**19.63**	**164.88**	**206.08**	**0.19**	**600.09**
As at March 31, 2025	**292.04**	**7.33**	**190.96**	**241.50**	**0.03**	**731.85**

Note - None of the assets have been revalued during the period

10A Intangible Assets

Particulars	Goodwill	Other intangible assets				
		Internally Generated Software	Branch Distribution Network	Customer Contract	Computer Software	Total
As at April 01, 2023	**209.28**	-	**2,221.00**	**853.17**	**616.56**	**3,690.73**
Additions	0.95	139.08	-	-	-	139.08
Adjustment*	17.65	-	-	-	(17.65)	(17.65)
Deletions	-	-	-	-	-	-
As at April 01, 2024	**227.88**	**139.08**	**2,221.00**	**853.17**	**598.91**	**3,812.16**
Additions	-	180.01	-	-	-	180.01
Deletions	-	-	-	-	-	-
As at March 31, 2025	**227.88**	**319.09**	**2,221.00**	**853.17**	**598.91**	**3,992.17**
Accumulated amortisation						
As at April 01, 2023	-	-	**87.30**	**768.72**	**258.14**	**1,114.16**
Amortisation for the year	-	15.55	444.20	84.45	275.45	819.65
Deletion	-	-	-	-		-
As at April 01, 2024	-	**15.55**	**531.50**	**853.17**	**533.59**	**1,933.81**
Amortisation for the period	-	58.10	444.20	-	28.63	530.93
Deletion	-	-	-	-	-	-
As at March 31, 2025	-	**73.65**	**975.70**	**853.17**	**562.22**	**2,464.74**
Carrying amount (net)						
As at April 01, 2024	**227.88**	**123.53**	**1,689.50**	**0.00**	**65.32**	**1,878.35**
As at March 31, 2025	**227.88**	**245.45**	**1,245.30**	**0.00**	**36.68**	**1,527.44**

* Regrouping done from Computer Software to Goodwill



10B Right of use assets ('ROUA')

Particulars	Office premises
Gross block value	
As at April 01, 2023	**1,351.56**
Additions	688.78
Deletions	-
As at April 01, 2024	**2,040.34**
Additions	431.15
Deletions	-
As at March 31, 2025	**2,471.49**
Accumulated depreciation	
As at April 01, 2023	**764.09**
Depreciation for the year	202.86
Deletion	-
As at April 01, 2024	**966.95**
Depreciation for the period	377.18
Deletion	
As at March 31, 2025	**1,344.13**
Carrying amount (net)	
As at April 01, 2024	**1,073.39**
As at March 31, 2025	**1,127.36**

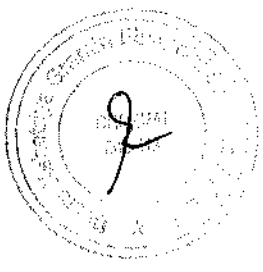
10C Intangible asset under development

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	59.05	-
Add: Cost incurred during the period/year	204.15	198.13
Less: The amount capitalised during the period/year	180.01	139.08
Closing balance	**83.19**	**59.05**

Ageing

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	74.94	8.25	-	-	**83.19**
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2025	**74.94**	**8.25**	-	-	**83.19**

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	59.05	-	-	-	**59.05**
Projects temporarily suspended	-	-	-	-	-
As at April 01, 2024	**59.05**	-	-	-	**59.05**



11 Other non-financial assets (at amortised cost)

Unsecured, considered good.

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	30.73	-
Balances with government authorities	587.23	700.35
Prepaid expenses**	397.15	338.24
Advance to vendors	138.08	57.70
Total	**1,153.19**	**1,096.30**

** The Prepaid expenses includes the amount paid for due diligence fees towards equity raise, which is expected to be completed by the end of May 2025.

12 Derivative financial instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Currency derivatives		
Cross currency interest rate swaps	(691.26)	815.68
Cross currency swaps	16.51	171.83
Total	**(674.75)**	**987.51**

13 Trade Payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	5.55	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	417.43	514.17
Total	**422.98**	**514.17**
Out of the aforesaid payable, dues to related parties and other parties are as under:		
(a) To related parties (Refer Note 42)	-	-
(b) Other than related parties	422.98	514.17
Total	**422.98**	**514.17**

13.1 Trade payables ageing schedule as on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
(i) MSME	5.55	-	-	-	5.55
(ii) Others	417.43	-	-	-	417.43
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	422.98	-	-	-	422.98

13.2 Trade payables ageing schedule as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	514.17	-	-	-	514.17
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**514.17**	-	-	-	**514.17**

14 Debt securities

Particulars	Reference	As at March 31, 2025	As at March 31, 2024
At amortised cost:			
Secured debentures			
Redeemable, non-convertible debentures			
- from others	(A)	38,468.90	38,696.51
- from related parties	(B)	75.00	97.51
Secured Bonds			
- from others parties	(C)	15,905.44	-
Unsecured debentures			
Redeemable, non-convertible debentures	(D)	4,019.90	2,197.86
Total		**58,469.24**	**40,991.88**
Debt securities in India		58,469.24	40,991.88
Debt securities outside India		-	-
Subtotal		**58,469.24**	**40,991.88**

(A) Debt securities - Secured - Redeemable non-convertible debentures (NCDs) - Others

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor (years)	As at March 31, 2025	As at March 31, 2024
236 units (March 31, 2024 : 2616 units) redeemable non-convertible debentures	Unlisted	12.5% - 13.5%	Bullet principal + Monthly interest	2-4 Years	245.03	1,167.12
292 units (March 31, 2024 : 2319 units) redeemable non-convertible debentures of INR 1 lakhs each	Unlisted	12.5% - 13%	Bullet Principal & Interest	2-4 Years	380.15	3,252.85
1500 units (March 31,2024 :1500 units) redeemable non-	Unlisted	13.75%	Monthly Principal+Monthly	2 Years	260.87	1,043.48
2500 units (March 31,2024 :2500 units) redeemable non-convertible debentures of INR1 Lakhs each	Unlisted	13.50%	Monthly Interest and Half Yearly Principal till Mar-25 and there on Monthly	2-3 Years	1,967.31	2,522.19
50000 units (March 31,2024:0units) redeemable non-convertible debentures of INR 10,000 each	Listed	11.00%	Quarterly Principal+Monthly Interest	2 Year	4,381.29	-
-155 units (March 31,2024 :0 units) redeemable non-convertible debentures of INR 1 lakhs each	Listed	12.5% - 12.75%	Bullet principal + Monthly interest	3 Years	170.58	-
-100 units (March 31,2024 :0 units) redeemable non-convertible debentures	Listed	12.75%	Bullet principal + Monthly interest	3 Years	100.00	

(A) **Debt securities - Secured - Redeemable non-convertible debentures (NCDs) - Others (continued)**

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor (years)	00-Jan-00	As at March 31, 2024
4888 units (March 31,2024:0units)redeemable non-convertible debentures of INR 1 Lakhs each	Listed	12.79%	Bullet principal + Semi - Annual Interest	3 Years	4,908.57	-
-20000 units (March 31, 2024: 20000) redeemable non-convertible debentures	Listed	14.75%	Bullet principal + Monthly interest	3 Years	-	2,813.88
-100 units (March 31, 2024 :100 units) redeemable non-convertible debentures of INR 10 lakhs each	Listed	15.00%	Bullet principal + Monthly interest	3 Years	1,005.13	1,004.07
-40 units (March 31, 2024: 40) redeemable non-convertible debentures of INR 1	Unlisted	13.5% - 15%	Monthly principal + interest	2 - 2.5 Years	653.33	2,403.33
-1214 units (March 31, 2024 :614 units) redeemable non-convertible debentures of INR 10 lakhs each	Listed	10.50% - 11%	Bullet principal + Quarterly interest	3 - 3.5 Years	5,964.58	6,143.70
-6600000 units (March 31, 2024: 6600000) redeemable non-convertible debentures of INR 100 each	Unlisted	13.50%	Bullet principal + Quarterly interest	3.76 Years	6,675.67	6,678.57
-12011 units (March 31, 2024 : 12011 units) redeemable non-convertible debentures of INR 1 lakhs each	Listed	13.60%	Bullet principal + Quarterly interest	3.79 Years	12,149.74	12,149.74
Less : Unamortised Processing Fees					(393.34)	(482.42)
Total					**38,468.90**	**38,696.51**

14 Debt securities (continued)

(B) Debt securities - Secured - Redeemable non-convertible debentures (NCDs) from Related Parties

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2025	As at March 31, 2024
45 units (March 31, 2024 : 70 units) redeemable non-convertible debentures of INR 1 lakhs each	Unlisted	12.5% - 13%	Bullet principal + Monthly interest	3 Years	45.00	77.51
20 units (March 31, 2024 : 20 units) redeemable non-convertible debentures of INR 1 lakhs each	Unlisted	12.5% - 13%	Bullet principal + interest	3 Years	20.00	20.00
10 units (March 31, 2024 : 0 units) redeemable non-convertible debentures of INR 1 lakhs each	Listed	12.75%	Bullet principal + Monthly interest	3 Years	10.00	-
Less : Unamortised Processing Fees					-	-
Total					**75.00**	**97.51**

Notes:

a) NCDs are secured by specific charge on loans in favour of the Trustee for the benefit of the debenture holders. The Company needs to maintain 1 to 1.2 times of security cover for the outstanding NCDs at any point of time.

b) Interest for the above NCDs are payable on monthly/quarterly/half yearly / yearly/ bullet basis.

(C) Debt securities - Secured bonds From Other parties

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2025	As at March 31, 2024
- 1800 units (March 31, 2024: 0) Secured bonds from Other parties of USD 10,000 each	Listed	11.5%-12.5%	Bullet principal and Semi annual Interest	3.00	15,917.66	-
Less: Unamortised processing fees					(12.22)	-
Total					**15,905.44**	-

14 Debt securities (continued)

(D) Debt securities - Unsecured - Redeemable non-convertible debentures

Name of the lender	Listed/Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2025	As at March 31, 2024
2200 units (March 31, 2024: 0 units) redeemable non-convertible debentures of INR 1,00,000 each	Listed	0.145	Yearly Principal+Monthly Interest	3 years	2,213.98	-
- 180 units (March 31, 2024 -180 units) redeemable non-convertible debentures of INR 10,00,000/- each	Unlisted	14.50%	Bullet principal + Monthly interest	3 Years	1,814.09	2,209.06
Less: Unamortised processing fees					(8.18)	(11.20)
Total					**4,019.90**	**2,197.86**

Notes:

15 Borrowings (Other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Secured borrowings		
Term Loan from banks	29,672.61	43,889.94
Term Loan from others	16,077.39	32,658.86
Securitization borrowings	19,315.92	25,992.89
External commercial borrowings	36,780.31	25,391.98
Loan repayable on demand		
from banks	908.99	929.45
from related parties	-	1,716.67
Total	**1,02,755.21**	**1,30,579.80**
Borrowings in India	65,974.90	1,05,187.82
Borrowings outside India	36,780.31	25,391.98
Subtotal	**1,02,755.21**	**1,30,579.80**

a) The Borrowings have not been guaranteed by Director or others

b) The Company has borrowings from banks & FIs on the basis of security of Loans disbursed and the quarterly returns / statements of Book debts filed with banks are in agreement with books of accounts.

c) The company has used the borrowings from banks and FIs for the specific purpose for which they were taken

d) There were no delays in repayment of borrowings as at March 31, 2025 and as at March 31, 2024

e) No Bank or Lender has declared the company as wilful defaulter

f) All charges / satisfaction of charges are registered with Registrar of Companies within statutory period

g) The Company has not classified any of its borrowings as immediately due during the year due to breach of covenants since the management is confident that there will not be any recall of such loans based on their discussion with lenders

A) **Term Loans from Banks:**

Repayment Type	Rate of	Tenor (years)	As at March 31, 2025	As at March 31, 2024
Bullet (One time)	14.00%	6 Years and 11 Months	-	1,943.48
Monthly principal+Interest	14.00%	2 Years	-	610.55
Monthly principal+Interest	13.75%	2 Years	377.34	1,407.42
Monthly principal+Interest	13.00%	2.5 Years to 4 Years	4,208.19	6,600.32
Monthly principal+Interest	12.80%	2 Years	-	581.35
Quarterly Principal+Quarterly Interes	12.50%	2 Years	-	1,331.81
Quarterly Principal+Monthly Interest	12.45%	2Years9Months to 4Years and 3Months	-	24,248.17
Quarterly Principal+Monthly Interest	12.25%	3 Years	-	919.82
Quarterly Principal+Monthly Interest	12.10% to 12.75%	2 years 6 Months to 3 years	2,299.80	1,515.55
Monthly principal+Interest	12.00%	2 years 2 Months	-	1,416.39
Monthly principal+Interest	12.00%	2 years	3,508.33	1,400.00
Monthly principal+Interest	11.75%	3 Years	1,510.64	2,282.46
Monthly principal and Monthly Intere	12%-12.75%	3 Years	3,642.15	-
Monthly principal and Monthly Intere	12.45%	4 years	955.56	-
Quarterly principal and Monthly Inter	12.50%	2 years	606.09	-
Quarterly principal and Monthly Inter	12.85%	2 to 3 years	12,747.38	
Less: Unamortised Processing fees			(182.87)	(367.37)
Total			**29,672.61**	**43,889.94**

Notes:

a) All the above borrowings are secured by specific charge on the company's Loan assets . The Company needs to maintain a security cover ranging from 1.1 to 1.33 times of the outstanding amount at any point of time. Further, the Company has given cash collateral amounting to INR 4498.34 lakhs (March 31, 2024: INR 5183.63 lakhs) for the borrowings undertaken.

B) **Term Loans from others:**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2025	As at March 31, 2024
Monthly principal+Interest	14.20%	3 Years	268.33	854.56
Monthly principal+Interest & Quarter	13.25% to 15.95%	2 to 3 Years	724.45	5,106.08
Monthly principal+Interest	11.00%	2 Years	2,476.06	4,501.36
Monthly principal+Interest	12.70%	2 Years 3 months	445.37	890.72
Monthly principal+Interest	13.20%	2 Years	1,125.41	2,516.56
Monthly principal+Interest	13.00%	1 Year and 6 Months	-	1,001.17
Monthly principal+Interest	13.25%	2 Years	252.73	2,180.30
Monthly principal+Interest	13.35%	2 Years	200.50	631.34
Monthly principal+Interest	13.5% to 14.20%	2 Years	766.17	2,776.38
Monthly principal+Interest	14.00%	2 Years	-	27.91
Monthly principal+Interest	14.00%	3 Years	94.01	158.52
Monthly principal+Interest	14.00% to 14.25%	2 Years and 1 Months	-	328.00
Monthly principal+Interest	14.00% to 14.25%	3 Years	55.75	389.67
Monthly principal+Interest	14.50%	2 Years	167.73	670.90
Monthly principal+Interest	14.50%	3 Years	33.81	220.45
Monthly principal+Interest	14.60%	2 Years	294.60	1,239.47
Monthly principal+Interest	15.00%	2 Years	-	71.49
Monthly principal+Interest	12.50% to 14.90%	2 Years	2,966.55	3,002.41
Monthly principal+Interest	13.15% to 14.50%	2 Years	98.15	468.08
Monthly principal+Interest	13.50% to 14.25%	2 Years	508.40	1,512.36
Monthly principal+Interest	13.50% to 15.00%	2 Years	134.69	409.71
Monthly principal+Interest	13.50% to 15.00%	2 Years and 1 Months	-	139.85
Monthly principal+Interest	13.50% to 15.00%	2 Years and 5 Months	160.97	388.36
Monthly principal+Interest	14.20% to 14.50%	3 Years	1,003.79	2,844.91
Quarterly Principal+Monthly Int	14.75%	1 Year and 11 Months	-	514.24
Monthly Principal (Post 3 months Mo	12.95%	3 Years	1,327.24	-
Monthly Interest and Annual Principa	13.00%	3 Years	3,004.27	-
Less: Unamortised processing fees			(31.58)	(185.91)
Total			**16,077.39**	**32,658.86**

15 **Borrowings (Other than debt securities) (continued)**

Notes:

a) All the above borrowings are secured by specific charge on the company's loan assets . The Company needs to maintain a security cover ranging from 1.05 to 1.25 times of the outstanding loan amount at any point of time.Further, the Company has given cash collateral amounting to INR 55.42 lakhs (March 31, 2024: INR 396.56 Lakhs) for the borrowings undertaken.

(C) **Securitization borrowings**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2025	As at March 31, 2024
Monthly Principal + Interest	11% to 12%	1-2 Years	11,626.70	4,979.25
Monthly Principal + Interest	12% to 13%	1-2 Years	6,454.37	7,310.96
Monthly Principal + Interest	13% to 14%	1-2 Years	1,263.11	13,784.77
Less: Unamortised Processing Fee			(28.26)	(82.08)
Total			**19,315.92**	**25,992.90**

(E) **External Commercial Borrowings**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2025	As at March 31, 2024
Bullet principal + Half-yearly interest	12.65%	3	4,412.72	4,313.98
Bullet principal + Half-yearly interest	12.59%	4	6,199.59	6,045.64
Bullet principal + Half-yearly interest	12.45%	5	15,778.17	15,360.62
Bullet principal + Half-yearly interest	12.20%	3	4,427.77	-
33% at 24 Months,33% at 36 Months 34% 48 Months Principal Payments +Half yearly Interest	11.70%	4	6,291.67	-
Less: Unamortised processing fees			(329.61)	(328.26)
Total			**36,780.31**	**25,391.98**

Notes:

a) All the above loans are secured by specific charge on loans.

b) Interest rates are floating and are payable on a quarterly and half-yearly basis. The interest rates disclosed above represent the rates of interest as at March 31, 2025. The company has further hedged this interest risk.

(F) **Loan repayable on demand:**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2025	As at March 31, 2024
From Bank				
Bullet principal + Monthly interest	11.00%	1	-	929.45
Bullet principal + Monthly interest	12.55%	1	908.99	-
			908.99	**929.45**
From Related Parties				
Payment on Demand	14.00%	0.5 to 1 year	-	-
Payment on Demand	12.00%	1	-	1,590.53
Payment on Demand	12.00%	1	-	126.15
			-	**1,716.67**
Total			**908.99**	**2,646.12**

Notes:

a) All the above borrowings from banks are secured by specific charge on the company's loan assets and cash collateral. The company needs to maintain a security cover 1.25 times of the outstanding amount at any point of time. Further, the company has given cash collateral amounting to INR 578.90 lakhs (March 31, 2024: INR 562.79 lakhs).

15a Subordinated Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
Debentures	1,907.98	45.00
Subordinated Term Loan from banks	1,520.38	1,999.80
Subordinated Term Loan from others	10,288.42	5,741.35
Total	**13,716.78**	**7,786.15**
Subordinated Liabilities in India	11,808.80	7,786.15
Subordinated Liabilities outside India	1,907.98	-
Subtotal	**13,716.78**	**7,786.15**

Particulars	Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2025	As at March 31, 2024
Unsecured Debentures					
-0 units (March 31, 2024: 450,000 units) non-convertible debentures of INR 10 each	Bullet principal + Monthly Interest	12.5% - 18.5%	5 years	-	45.00
-2000 units (March 31, 2024: 0 units) non-convertible debentures of INR 100,000 each	Bullet principal + Monthly Interest	14.30%	5 years	2,002.35	-
Subordinated term loans					
From banks	Bullet principal	16.00%	7 years	1,520.38	2,000.00
From others	Bullet	15.25%	6 years	1,502.51	1,502.51
	Half-yearly principal +	13.35% -14.90	6-7 Years	8,846.65	4,308.10
Less: Unamortised processing fees				(155.11)	(69.46)
Total				**13,716.78**	**7,786.15**

Notes:

The Company has not classified any of its Subordinated Liabilities as immediately due during the year as there was no breach of covenants during the year.

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15b Breach of Covenants:

Lender	Covenant Sub Heading	Limit	Actual value	
			As at March 31, 2025	As at March 31, 2024
Aditya Birla Finance Limited	Gross NPA	<=5%	8.53%	-
	CAR	>=20%	-	19.42%
	Debt to ATNW	<=5 times	-	5.14
Alteria Capital	Gross NPA	<=5%	8.53%	-
Caspian Impact Investments Pvt Ltd	PAR 90(%) to AUM	< 7.5%	7.83%	
	PAR 30 (%) to AUM	< 10%	11.44%	-
Capri Global Capital	PAR 90(%) to AUM	<=7.50%	7.83%	
	Net NPA	<=3.50%	3.91%	-
Federal Bank	Gross NPA	<=3%	8.53%	
	Net NPA	<=1.5%	3.91%	-
Credit Saison Limited (Kisetsu Saison)	Maximum permissible ratio of PAR90 days (including managed portfolio), to outstanding principal value of total assets under management	<=4%	7.83%	-
Creation Investments FPI, LLC	PAR 90 Pre Write Off (current financial year) divided by AUM	<=2.5% till Sep-24 and <=1.5% further	11.29%	
	PAR 90 Pre Write Off (current financial year) divided by on-book POS	<=2.5% till Sep-24 and <=1.5% further	11.63%	-
	PAR 30 divided by AUM	<=3.5%	11.44%	
	PAR 30 divided by on-book POS	<=3.5%	10.58%	
	Company shall not report losses in any quarter		Loss	
	CAR	>= 20%	-	19.42%
Vivriti Capital Private Limited	Gross NPA	<=5%	8.53%	
	Net NPA	<=3%	3.91%	-
Suryoday Small Finance Bank	Gross NPA	<=5%	8.53%	-
State Bank of India	Net NPA	<= 2.5%	3.91%	-
RAR Fincare Limited	PAR 90+	<=3.5%	7.83%	
	Gross NPA	<=3%	8.53%	-
	Net NPA	<=1%	3.91%	
	CAR	>= 21%	3.91%	19.42%
Muthoot Group	Gross NPA	<=5%	8.53%	-
MAS Financial Services Limited	Gross NPA	<=5%	8.53%	
	CAR	>= 20%	3.91%	19.42%
	Net NPA	<=2.50%	3.91%	
UC Inclusive Credit Pvt Ltd	PAR 90+	<=7%	7.83%	-
	Debt to Equity	< 4 times	4.12	4.77
Karur Vysya Bank	Gross NPA	<=5%	8.53%	
	Net NPA	<=3%	3.91%	-
Piramal Enterprises Limited	Gross NPA	<=6%	8.53%	-
Maanaveeya development & finance private limited	PAR 90+ to AUM	<4%	7.83%	
	Operational Self Sufficiency	>=100%	99.73%	-
OXYZO Financial Services Private Limited	(PAR 90+ + Trailing 12 Months Write off) / Total AUM	<= 6%	11.29%	
	ROA	> =0.75%	0.05%	-
Kissanadhan Agri Financial Services Pvt Ltd	PAR 90+	<=5%	7.83%	-
	Net NPA	<=3%	3.91%	-

15b Breach of Covenants (continued)

Lender	Covenant Sub Heading	Limit	Actual value	
			As at March 31, 2025	As at March 31, 2024
Incred Financial Services Limited	(PAR 90+ + Trailing 12 Months Write off) / Total AUM	<=5%	11.29%	
	(PAR 30+ + Trailing 12 Months Write off) / Total AUM	<=8%	14.91%	
	CAR	>= 20%	-	19.42%
Karvy Capital Ltd	(PAR 90+ + Trailing 12 Months Write off) / Total AUM	<=10%	11.29%	-
Blue Orchard	Portfolio At Risk over 30 days + Restructured Loans + Net Charge-offs during the last 12 months divided by the Outstanding Gross Loan Portfolio	<=10%	12.65%	-
	Portfolio at Risk over 90 days + Restructured Loans - Loan Loss Reserves divided by the Tier I Capital	<=10%	23.15%	
WLB Asset II D PTE LTD	PAR 30+ to AUM	<=5%	11.44%	-
	PAR 90+ to AUM	<=3%	7.83%	
	Operational Self Sufficiency	>=100%	99.60%	
	Cost to income Ratio	<80%	100.91%	
Northern Arc Capital Ltd	Ratio of sum of the Par > 90 and write-offs (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio	<=5%	11.29%	-
Enabling Capital Limited	Ratio of the sum of (x) Portfolio at Risk over 30 days + Restructured Loans + Net Charge-offs during the last 12 months divided by (y) the Outstanding Gross Loan Portfolio (on + off balance	<=12%	12.65%	
	Ratio of the sum of (x) Portfolio at Risk over 90 days + Restructured Loans – Loan Loss Reserve) divided by (y) Tier 1 Capital	<=10%	23.15%	-
Triple Jump	PAR30+RL Maximum (GLP Financials)	<=7%	9.76%	
	Write-off TTM (including interest to Average GLP)	<=5%	5.33%	-
	Adjusted ROA	>=0.5%	-0.87%	
Vivriti Asset Management Limited	Gross NPA	<=3%	8.53%	
	Net non-performing assets (computed at PAR90 on total book less provisions for NPA) as percentage to tangible NW	<=10%	21.69%	-
	NNPA	<=3%	3.91%	
Grow Money Capital Private Limited (formerly known as Eclear Leasing & Finance Private Limited)	Debt to Equity	< 4 times	-	4.77
Small Industries Development Bank of India	CAR	>= 20%	-	19.42%

Owing to the stress currently being witnessed in the financial inclusion space, there has been a substantial increase in delinquencies in this sector in the current financial year. The Company has not met certain covenants as on 31st March 2025 and has sent requests to the respective lenders to condone the non-compliance. As of the date of these financial results, none of the lenders have requested for acceleration of payment of the amounts due to them and therefore, no adjustments are required in these financial results.

16 Other financial liabilities (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable to assignees towards collections in assigned assets-securitization	4,807.09	3,764.52
Lease liabilities	1,393.57	1,260.89
Other payable	1,102.94	1,330.42
Total	**7,303.60**	**6,355.83**

*Refer Note - 44 for Movement of Lease Liability

17 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for guarantee	65.81	76.53
Provision for gratuity	15.13	168.22
Provision for leave encashment	321.80	219.07
Provision for service tax liability	18.75	18.75
Total	**421.50**	**482.56**

18 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory liabilities	497.76	314.85
Income received in advance	10.97	-
Total	**508.74**	**314.85**

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19 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
11,900,000 (March 31, 2024: 11,900,000) equity shares of INR 100 each	11,900.00	11,900.00
4,000,000 (March 31, 2024: 4,000,000) 0.001 compulsorily convertible cumulative preference shares of INR 100 each	4,000.00	4,000.00
	15,900.00	**15,900.00**
Issued, subscribed and fully paid up		
Equity shares:		
10,887,144 (March 31, 2023: 10,887,144) equity shares of INR 100 each	11,666.48	10,887.14
	11,666.48	**10,887.14**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount (INR-Lakhs)	Number of shares	Amount (INR-Lakhs)
Equity shares of INR 100 each				
As at beginning of the year	1,08,87,144	10,887.14	1,08,87,144	10,887.14
Shares issued	-	-	-	-
Conversion of compulsorily convertible preference shares	7,79,333	779.33	-	-
As at the end of the period/year	**1,16,66,477**	**11,666.48**	**1,08,87,144**	**10,887.14**

Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As on 31st March 2025	As on 31st March 2024	As on 31st March 2023	As on 31st March 2022	As on 31st March 2021
	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-

Statement of changes in equity

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As on 31st March 2025					
Equity share capital	1,08,87,144	-	1,08,87,144	7,79,333	1,16,66,477
As on 31st March 2024					
Equity share capital	1,08,87,144	-	1,08,87,144	-	1,08,87,144

Rights, preferences and restrictions attached to equity share

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and shares in the Company's residual assets. In the case of partly paid-up shares, dividend rights are proportionate to amounts paid up on the face value of shares. The equity shares are entitled to receive dividends as declared from time to time, subject to payment of dividends to preference shareholders. Dividends are paid in Indian Rupees. The dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of an interim dividend. The voting rights of an equity shareholder on a poll (not on the show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Rights, preferences and restrictions attached to compulsorily convertible preference shares

Each Compulsorily convertible cumulative preference share is convertible by its holder into one equity share. The holders of these shares are entitled to a cumulative dividend of 0.001%.

Preference shares carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the company directly affecting their rights. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid up and dividend in arrears on such shares

The Company has not issued any shares without payment being received in cash in the last 5 years immediately preceding the Balance sheet date.

Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of total shares in class	Number of shares	% of total shares in class
Dvara Holdings- Trustee of Dvara Trust	34,96,583	29.97%	34,96,583	32.12%
Accion Africa-Asia Investment Company	27,20,061	23.32%	23,64,896	21.72%
Leapfrog Financial Inclusion India (II) Limited	25,08,105	21.50%	25,08,105	23.04%
Nordic Microfinance Initiative Fund IV KS	21,02,166	18.02%	18,39,243	16.89%
Stakeboat Capital Fund-I	6,56,874	5.63%	6,56,874	6.03%

Also refer note 39 in relation to ESOP.

Shareholding of promoters

Shares held by promoters As at March 31, 2025

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Dvara Holdings (Trustee of Dvara Trust)	34,96,583	29.97%	2.15%
	Total	34,96,583	29.97%	2.15%

Shares held by promoters at 31st March 2024

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Dvara Holdings (Trustee of Dvara Trust)	34,96,583	32.12%	0%
	Total	34,96,583	32.12%	0%

19A Instruments entirely equity in nature

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount (INR-Lakhs)	Number of shares	Amount (INR-Lakhs)
Equity shares of INR 100 each				
Series 1 Compulsory convertible preference shares	-	-	7,79,333	3,584.93
As at the end of the period/year	**-**	**-**	**7,79,333**	**3,584.93**
Total Instruments entirely equity in nature	-	-	7,79,333	3,584.93

The company had issued 5,10,871, 0.001% Compulsorily convertible cumulative preference shares of Rs 100 each (Series 1 CCPS) at a premium of Rs.360 on September 19, 2022, carrying a coupon of 14% cumulating annually and 1,41,305, 0.001% Compulsorily convertible cumulative preference shares of Rs.100 each (Series 1 CCPS) at a premium of Rs.360 on March 16, 2023, carrying a coupon of 14% cumulating annually.

Convertible preference shares (CCPS) 6,52,176 CCPS of face value of INR 100/- each held by Accion Africa-Asia Investment Company ('Accion'), Abler Nordic Fund IV KS (Formerly known as Nordic Microfinance Fund IV KS) ('Nordic'), and Dvara Holdings in their respective proportion to 7,79,333 Equity Shares of face value of INR 100/- each including 1,27,157 equity shares has converted in April 13,2024 on account of coupon accrual

The outstanding CCPS was converted at a conversion ratio of 1:1 i.e., 1 equity share for every 1 CCPS held and the CCPs holders were issued equity shares for the total accrued coupon rate (14%) from the date of allotment of the CCPS to the Coupon End Date.

20 **Other Equity**

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital reserves	1,329.46	1,329.46
b) Securities premium account	38,310.44	35,504.84
c) Employee stock option outstanding account	218.03	206.70
d) Statutory reserves	2,520.44	2,496.78
e) Retained earnings (Surplus / Deficit in Statement of Profit and Loss)	(14,361.97)	(14,558.67)
f) General Reserve	180.81	166.71
g) Other comprehensive income	2,551.27	(857.49)
Balance at the end of the period/year	**30,748.48**	**24,288.33**

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital Reserves		
At the commencement of the year	1,329.46	1,329.46
Balance at the end of the period/year	**1,329.46**	**1,329.46**
b) Securities premium account		
Balance at the beginning of the year	35,504.84	35,504.84
Add: Securities premium on issue of compulsorily convertible preference shares	2,805.60	-
Balance at the end of the period/year	**38,310.44**	**35,504.84**
c) Employee stock option outstanding account		
Balance at the beginning of the year	206.70	409.76
Add: Share based payment expense for the year	25.43	(36.34)
Less: Transferred to General Reserve	(14.10)	(166.71)
Balance at the end of the period/year	**218.03**	**206.70**
d) Statutory reserves		
(As per Section 45-IC of Reserve Bank of India Act, 1934)		
Balance at the beginning of the year	2,496.78	1,546.19
Add: Amount transferred from surplus in statement of profit and loss*	23.66	950.59
Balance at the end of the period/year	**2,520.44**	**2,496.78**
*20% of profit after tax for the period has been transferred based on the provisions of the Reserve Bank of India Act, 1934.		
e) Retained earnings (Surplus / Deficit in Statement of Profit and Loss)		
Balance at the beginning of the year	(14,558.67)	(18,275.65)
Add: Profit for the year	118.31	4,752.95
Less: Transferred to statutory reserve	(23.66)	(950.59)
Less: Transfer from other comprehensive income	102.05	(85.39)
Balance at the end of the period/year	**(14,361.97)**	**(14,558.67)**
f) General Reserve		
Balance at the beginning of the year	166.71	-
Add: Transfer from employee stock option outstanding account	14.10	166.71
Balance at the end of the period/year	**180.81**	**166.71**
g) Other comprehensive income		
Balance at the beginning of the year	(857.49)	(152.64)
Add: Remeasurements of defined benefit asset/ (liability)	102.05	(85.39)
Add: Cash flow hedge reserve	113.55	(704.84)
Add: Financial instruments through OCI	3,295.21	-
Less: Transfer to retained earnings	(102.05)	85.39
Balance at the end of the period/year	**2,551.27**	**(857.49)**
Total (a+b+c+d+e+f)	**30,748.48**	**24,288.33**

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20 Other Equity (continued)
Statement of changes in equity

(2) Current reporting period

Particulars	Reserves and Surplus					Employee stock option outstanding account	Other comprehensive income	Total
	Capital reserves	Securities Premium	Statutory reserves	Retained earnings	General Reserve			
Balance at the beginning of the current reporting period	1,329.46	35,504 84	2,496.78	(14,558.67)	166.71	206.70	(857.49)	24,288.33
Changes in accounting policy /prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,329.46	35,504.84	2,496 78	(14,558.67)	166.71	206.70	(857.49)	24,288.33
Total Comprehensive Income for the current year	-	-	-	102.05	-	-	-	102.05
Profit for the year	-	-	-	118.31	-	-	-	118 31
Transfer from / to retained earnings	-	-	23.66	(23.66)	-	-	102.05	102.05
Securities premium on issue of compulsorily convertible preference shares	-	2,805.60	-	-	-	-	-	2,805.60
Share based payment expense for the year	-	-	-	-	-	25.43	-	25.43
Transfer from employee stock option outstanding account	-	-	-	-	27 14	(27.14)	-	-
Cash flow hedge reserve	-	-	-	-	-	-	113.55	113.55
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	(102 05)	(102.05)
Financial instruments through OCI	-	-	-	-	-	-	3,295.21	3,295.21
Balance at the end of the current reporting period	**1,329.46**	**38,310.44**	**2,520.44**	**(14,361.97)**	**193.85**	**204.99**	**2,551.27**	**30,748.48**

20 Other Equity (continued)

(2) Previous reporting period

Particulars	Reserves and Surplus					Employee stock option outstanding	Other comprehensive income	Total
	Capital reserves	Securities Premium	Statutory reserves	Retained earnings	General Reserve			
Balance at the beginning of the previous reporting period	1,329.46	35,504.84	1,546.19	(18,275.65)	-	409.76	(152.64)	20,361.95
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	1,329.46	35,504.84	1,546.19	(18,275.65)	-	409.76	(152.64)	20,361.95
Total Comprehensive Income for the previous reporting year	-	-	-	(85.39)	-	-	-	(85.39)
Profit for the previous reporting year	-	-	-	4,752.95	-	-	-	4,752.95
Transfer from / to retained earnings	-	-	950.59	(950.59)	-	-	(85.39)	(85.39)
Share based payment expense for the previous reporting year	-	-	-	-	-	(36.34)	-	(36.34)
Transfer from employee stock option outstanding account	-	-	-	-	166.71	(166.71)	-	-
Cash flow hedge reserve	-	-	-	-	-	-	(704.84)	(704.84)
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	85.39	85.39
Balance at the end of the previous reporting period	**1,329.46**	**35,504.84**	**2,496.78**	**(14,558.67)**	**166.71**	**206.70**	**(857.49)**	**24,288.33**

Nature and purpose of reserve

a) Capital Reserves

Pursuant to scheme of arrangement approved by the NCLT on March 07, 2019, the company has created a capital reserve in accordance with the applicable accounting standards.

b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

c) Employee stock option outstanding

The share option outstanding account represents reserve in respect of equity-settled share options granted to the Company's employees in pursuance of the employee stock option plan.

d) General Reserve

The general reserve consists of transfers from the employee stock option outstanding reserve due to the forfeiture of vested share options granted to employees. The reserve can be utilized by the Company in accordance with the Companies Act, 2013.

e) Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act, 1934") (Statutory Reserve)

Reserve u/s 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

f) Retained earnings

Retained earnings is the accumulated available profit/loss of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

g) Other comprehensive income

a) Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

b) The Company has applied hedge accounting for designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity as cash flow hedge reserve.

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21 Interest income

(Interest income on financial assets measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income		
Interest income on loans to customers	43,272.47	34,318.86
Interest income from securitisation	6,852.19	11,282.98
Interest income from investments	862.54	608.22
Interest on fixed deposits	929.94	745.91
Other interest income	57.68	25.15
Total	**51,974.82**	**46,981.12**

22 Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fees income	59.81	76.44
Commission income	1,787.36	2,004.58
Total	**1,847.17**	**2,081.01**

23 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on financial instruments at fair value through profit or loss (FVTPL)		
On trading portfolio		
Mutual fund investments at FVTPL	449.33	430.62
Total	**449.33**	**430.62**
Fair value changes		
Realised	442.24	424.40
Unrealised	7.09	6.22
Total	**449.33**	**430.62**

24 Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on sale of loan portfolio through assignment	5,297.14	5,338.30
Total	**5,297.14**	**5,338.30**

25 Other Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on income tax refund	30.95	45.73
Net gain / (loss) on derecognition of property, plant and equipment	(2.44)	-
Other income	51.63	99.64
Total	**80.14**	**145.37**

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26 Finance Costs

(Finance costs on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on borrowings		
- term loans from banks	5,164.90	4,675.03
- securitised portfolio	2,403.62	4,880.49
- term loans from others	2,606.74	5,026.61
- term loans from related parties	87.59	239.76
- external commercial borrowings	4,487.69	1,770.55
Interest on debt securities	7,739.42	3,772.01
Interest on commercial paper	-	335.16
Interest on convertible preference shares	-	401.42
Interest on subordinated liabilities	1,886.88	926.53
Interest on cash credit	37.31	77.67
Other interest expense	3.68	4.14
Amortisation of ancillary costs relating to borrowings	1,593.39	1,308.68
Interest expense on lease liabilities	193.19	24.27
Total	**26,204.40**	**23,442.32**

27 Fees and commission expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Commission expense	552.40	626.58
Recovery costs	6.33	39.24
Total	**558.72**	**665.82**

28 Impairment on financial instruments (at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment loss allowance		
(a) on loans - measured at amortised cost*	11,900.34	4,396.48
(b) on receivables - measured at amortised cost	35.16	-
Bad debt written off	4,148.21	3,783.91
Total impairment of financial assets	**16,083.71**	**8,180.39**

*Impairment loss allowance on loan includes provision for guarantee (Refer Note 17)

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29 Employee benefits expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	11,058.21	10,210.24
Contribution to provident and other funds	1,130.99	1,013.87
Staff welfare expenses	239.19	195.26
Share based payments to employees #	25.43	(36.34)
Total	12,453.82	11,383.02

The Share based payments to employees is negative for the year ended 31st March 2024 on account of forfeiture of options granted to resigned employees.

30 Depreciation and amortization

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment	455.16	281.68
Amortisation of intangible assets	489.90	819.65
Depreciation of right of use assets	377.18	202.86
Total	**1,322.24**	**1,304.18**

31 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	157.35	407.34
Electricity and water charges	75.17	83.34
Repairs and maintenance	53.91	32.53
Communication expenses	312.69	380.34
Printing and stationery	95.04	134.59
Auditor's fees and expenses (refer note 31.1)	77.10	55.29
Legal and professional charges	539.09	822.09
Insurance	348.53	276.04
Rates and taxes	397.86	221.58
Office maintenance	175.59	202.89
Travelling, conveyance and lodging	1,206.66	1,373.09
Corporate social responsibility expenses (refer note 31.2)	61.74	15.44
Technology fees	333.75	362.56
Other expenses	87.23	162.62
Total	**3,921.71**	**4,529.74**

31.1 Payments to auditor (excluding goods and services tax)

As auditor:	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	27.00	35.00
Limited review	21.05	15.00
Tax audit	4.00	4.00
Other services	20.65	0.55
Reimbursement of expenses	4.40	0.74
Total	77.10	55.29

Note: Includes fees paid to predecessor auditors

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31.2 Details of Corporate Social Responsibility expenditure

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Amount required to be spent by the Company during the period/year	61.74	15.44
(b) Amount of expenditure incurred during the period/year :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	61.74	15.44
(c) Shortfall at the end of the period/year	-	-
(d) Total of previous years shortfall,	-	-
(e) Reason for shortfall		
(f) Nature of CSR activities	*	*

* The company donated 100 oxygen concentrators to public health centres and nursing homes. This initiative was launched during the second wave of COVID-19 to help communities and our customers at large, not just for COVID-19 emergencies but also for all health conditions that require oxygen support.

* The Company has undertaken CSR initiatives aimed at bridging the rural-urban digital divide by facilitating digital access and literacy in rural areas. The activities primarily focus on empowering rural women through training in digital literacy, financial literacy, and digital entrepreneurship. Additionally, the initiatives support women in becoming autonomous decision-makers and community information providers. These efforts are implemented through Community Information Resource Centres (CIRCs), which also offer digital services and assist the local population in accessing government entitlements.

31.2 Details of Corporate Social Responsibility expenditure (continued)

Details of excess amounts spent carried forward for utilisation in future years:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Opening balance	38.92	54.36
b) Amount required to be spent during the period/year	61.74	15.44
c) Amount spent during the period/year	37.30	-
d) Closing balance (a-b+c)	14.48	38.92

Note:

There is no shortfall in the CSR amount required to be spent by the company as per section 135(5) of the Act for the year ended March 31, 2025.

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32 Income Tax

i Amounts recognized in profit or loss

The components of income tax expense for the period ended March 31, 2024 and March 31, 2025 are as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax		
In respect of current period/year	1,042.80	1,420.75
In respect of previous years	-	-
	1,042.80	**1,420.75**
Deferred tax		
Attributable to–		
1) Origination and reversal of temporary timing differences	(911.76)	1,257.20
2) MAT credit entitlement	(287.55)	(424.52)
	(1,199.31)	**832.68**
Total tax charge	**(156.51)**	**2,253.43**

ii Income tax recognized in other comprehensive income

Re-measurements of the defined benefit plan		
Income tax relating to items that will not be reclassified to profit or loss relating to remeasurement of defined benefit plans.	41.92	(35.08)
Hedge and Fair valuation reserve account		
Income tax relating to items that will be reclassified to profit or loss relating to remeasurement of hedge reserve account	1,400.44	(289.57)

iii Reconciliation of total tax expense

Particulars	As at March 31, 2025	As at March 31, 2024
Accounting profit before tax	(159.58)	7,006.38
Applicable tax rate	29.12%	29.12%
Computed tax expense	**(46.47)**	**2,040.26**
Add:		
a. Non Deductible Expenses		
(i) Interest and penalty	0.15	6.04
(ii) CSR Expense	17.98	4.50
(iii) Employee stock option forfeited	7.90	48.55
b. Others		
(i) Impact of carrying value of property, plant, and Equipment.	-	-
(ii) Others	(136.07)	160.09
c.Tax pertaining to earlier years	(121.38)	-
Current tax derived	**(277.89)**	**2,253.43**

iv Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

Particulars	As at March 31, 2023	Statement of profit and loss	OCI	As at March 31, 2024	Statement of profit and loss	OCI	As at March 31, 2025
Component of Deferred tax asset / (liability)							
1) Deferred tax asset / (liability) in relation to:							
a) Difference between written down value of fixed assets as per books of accounts and income tax	43.97	40.72	-	84.69	149.53	-	234.22
b) Provision for employee benefits	54.80	(89.88)	35.08	-	41.92	(41.92)	-
c) Provision for hedge reserve	36.04	(36.04)	289.57	289.57	-	(46.65)	242.92
d) Fair value of loan	-	-	-	-	-	(1,353.79)	(1,353.79)
d) Impairment on financial instruments	1,051.25	191.80	-	1,243.04	1,769.00	-	3,012.04
e) Unamortised processing fee income	(19.66)	(82.63)	-	(102.29)	128.61	-	26.33
f) Carryforward of business loss	678.96	(678.96)	-	-	-	-	-
g) Amortisation of direct cost	-	-	-	-	(518.24)	-	(518.24)
h) Others	162.73	(12.14)	-	150.59	48.52	-	199.11
2) MAT credit entitlement	514.92	424.52	-	939.44	(287.55)	-	651.89
3) Upfront income recognised on Direct Assignent transactions	(294.66)	(590.08)	-	(884.74)	(11.09)	-	(895.83)
Total	**2,228.35**	**(832.69)**	**324.65**	**1,720.31**	**1,320.70**	**(1,442.36)**	**1,598.65**

33 Earnings per share ('EPS')

Particulars	As at March 31, 2025	As at March 31, 2024
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	118.31	4,752.95
Net profit attributable to equity shareholders for calculation of diluted EPS	118.31	4,752.95
Shares		
(a) Equity shares at the beginning of the period/year	1,08,87,144	1,08,87,144
(b) Shares issued during the period/year	7,79,333	-
(c) Total number of equity shares outstanding at the end of the period/year	1,16,66,477	1,08,87,144
(d) Outstanding compulsorily convertible preference shares	-	7,79,333
(e)Weighted average number of equity shares outstanding during the period/year for calculation of basic EPS (c)+(d)	1,16,66,477	1,16,66,477
(f) Diluted effect of outstanding stock options	3,314	8,875
(g) Weighted average number of equity shares outstanding during the period/year for calculation of diluted EPS	1,16,69,791	1,16,75,352
Face value per share	100.00	100.00
Earning per share		
Basic	1.01	40.74
Diluted	1.01	40.71
	Annualised	Annualised

34 Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	27,169.67	-	27,169.67	24,951.54	-	24,951.54
Bank balance other than cash and cash equivalents	6,090.03	3,145.49	9,235.52	10,418.90	2,209.01	12,627.92
Derivative financial instruments	-	674.75	674.75			-
Trade receivables	278.22	-	278.22	384.03	-	384.03
Loans	1,10,090.68	67,651.12	1,77,741.81	1,10,236.86	69,296.84	1,79,533.70
Investments	1,963.02	-	1,963.02	81.21	-	81.21
Other financial assets	1,510.40	184.66	1,695.06	891.36	198.97	1,090.33
Current tax assets (net)	-	805.40	805.40	-	1,449.04	1,449.04
Deferred tax assets (net)	-	1,598.65	1,598.65	-	1,720.31	1,720.31
Property, plant and equipment	-	731.85	731.85	-	600.09	600.09
Intangible asset under development	83.19	-	83.19	59.05	-	59.05
Goodwill	-	227.88	227.88	-	227.88	227.88
Other intangible assets	-	1,527.44	1,527.44	-	1,878.35	1,878.35
Right of Use Asset	330.52	796.85	1,127.36	105.92	967.47	1,073.39
Other non-financial assets	1,153.01	0.18	1,153.19	974.98	121.32	1,096.30
Total Assets	**1,48,668.74**	**77,344.28**	**2,26,013.01**	**1,48,103.86**	**78,669.30**	**2,26,773.15**
Liabilities						
Derivative financial instruments	-	-	-	987.51	-	987.51
Trade payables				-	-	
-total outstanding dues of micro and small enterprises	5.55	-	5.55	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	417.43	-	417.43	514.17	-	514.17
Debt securities	14,414.30	44,054.95	58,469.24	13,479.44	27,512.44	40,991.88
Borrowings (Other than debt securities)	55,052.36	47,702.85	1,02,755.21	74,082.49	56,497.31	1,30,579.80
Subordinated Liabilities	1,520.38	12,196.40	13,716.78	749.04	7,037.11	7,786.15
Other financial liabilities	6,220.48	1,083.11	7,303.60	5,166.79	1,187.67	6,355.83
Provisions	193.31	228.19	421.50	73.79	408.77	482.56
Other non-financial liabilities	508.74		508.74	314.85	-	314.85
Total Liabilities	**78,332.56**	**1,05,265.49**	**1,83,598.05**	**95,368.08**	**92,643.29**	**1,88,012.75**
EQUITY						
Equity share capital	-	11,666.48	11,666.48	-	10,887.14	10,887.14
Instruments entirely equity in nature	-	-	-	-	3,584.93	3,584.93
Other equity	-	30,748.48	30,748.48	-	24,288.33	24,288.33
Total Equity	**-**	**42,414.96**	**42,414.96**	**-**	**38,760.40**	**38,760.40**
Total Liabilities & Equity	**78,332.56**	**1,47,680.45**	**2,26,013.01**	**95,368.08**	**1,31,403.69**	**2,26,773.15**

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35 Financial instrument

A Fair value measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions i.e., exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2025 were as

	Carrying amount		
Particulars	**Amortised cost**	**FVTPL**	**FVOCI**
Financial Assets:			
Cash and cash equivalents	27,169.67	-	-
Bank balance other than cash and cash equivalents	9,235.52	-	-
Derivative financial instruments	-	-	674.75
Trade Receivables	278.22	-	-
Loans	1,21,445.64	-	56,296.17
Investments	1,874.72	88.30	-
Other financial assets	1,695.06	-	-
Total	**1,61,698.83**	**88.30**	**56,970.92**
Financial Liabilities:			
Derivative financial instruments	-	-	-
Trade payables	422.98	-	-
Debt securities	58,469.24	-	-
Borrowings (Other than debt securities)	1,02,755.21	-	-
Subordinated Liabilities	13,716.78		
Other financial liabilities	7,303.60	-	-
Total	**1,82,667.81**	-	-

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2024 were as

	Carrying amount		
Particulars	**Amortised cost**	**FVTPL**	**FVOCI**
Assets:			
Cash and cash equivalents	24,951.54	-	-
Bank balance other than cash and cash equivalents	12,627.92	-	-
Receivables	384.03	-	-
Loans	1,79,533.70	-	-
Investments	-	81.21	-
Other financial assets	1,090.33	-	-
Total	**2,18,587.52**	**81.21**	-
Liabilities:			
Derivative financial instruments	-	-	987.51
Trade payables	514.17	-	-
Debt securities	40,991.88	-	-
Borrowings (Other than debt securities)	1,30,579.80	-	-
Subordinated Liabilities	7,786.15	-	-
Other financial liabilities	6,355.83	-	-
Total	**1,86,227.83**	-	**987.51**

Note:

Fair Value of Assets & Liabilities carried at Amortised Cost in the books are close to the Fair Value and hence are not separately disclosed.

36 Financial risk management objectives and policies

(a) The Company's principal financial liabilities comprise borrowings from banks, financial Institutions and issue of debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans and advances, investments and cash and cash equivalents that are derived directly from its operations.

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

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

36 Financial risk management objectives and policies (continued)

(i) Credit risk

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

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

A. a) Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit behavior of its customer base, which includes various factors such as variations to the household income levels driven by external factors such as natural calamities, pandemics, change in regulations, government policies etc., & other socio-economic factors.

The Company's exposure to credit risk for loans by type of counterparty is as follows. All these exposures are within India.

Particulars	Carrying Amount	
	As at March 31, 2025	As at March 31, 2024
Term loans	1,88,224.84	1,83,982.46
Less: Impairment loss allowance**	(10,483.03)	(4,448.75)
Total	**1,77,741.81**	**1,79,533.70**

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

b) Staging:

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

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments. For financial assets in stage 1, the impairment is calculated based on defaults that are expected in the next twelve months, whereas for financial instruments in stage 2 and stage 3 the ECL the calculation considers default event for the life span of the instrument.

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

Days past due status	Stage	Provisions
Upto 30 Days	Stage 1	12 months provision
31-90 Days	Stage 2	Lifetime provision
90+ Days	Stage 3	Lifetime provision
Loan assets classified as NPA based on the end of the day days past due (DPD) in line with RBI circular RBI/2021-22/125 DOR.STR. REC. 68/21.04.048/2021-22 dated November 12, 2021, till entire arrears of interest and principal are paid by the borrower.	Stage 3	Lifetime provision
Any loan account (s) that is marked "Death" in the system following the death of Borrower/ Co-Borrower who are insured through a Credit Life Insurance Policy cover, irrespective of the days past due in that borrower account(s).	Stage 3	Lifetime provision

c) Grouping

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

1) North - JLG
2) North - EL
3) North - Other Products
4) South - JLG
5) South - EL
6) South - Other Products
7) East - JLG
8) East - EL
9) East - Other Products
10) One Time Restructuring (OTR)

36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

d) Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based on possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

i. Probability of default ("PD")
ii. Loss given default ("LGD")
iii. Exposure at default ("EAD")

i) Probability of default:

Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle. The base data for the PD framework considers a set of loan account numbers (having outstanding exposure) since January 2018 to December 2024. The observation period of 2018 to 2024 provides a sufficient history and covers various macroeconomic events and economic cycles.

ii) Loss given default

1) Loss Given Default ("LGD") is defined as the loss rate on the exposure, given the borrower has defaulted. LGD under Ind AS 109 for a facility is dependent upon the characteristics such as presence of collateral, recoveries, direct expenses, and degree of subordination.

2) The computation consists of following components, which are:

a) The recoveries (cash or noncash)
b) The costs (expenses made on the recoveries, The company has taken in this case to be 5% of the recovered amount)
c) the discount factor

3) The formula for the computation is as below:

$$LGD = \frac{EAD + (\text{Expenses on recovery}) - (\text{PV of recoveries})}{EAD}$$

% Recovery rate = (discounted recovery amount + discounted estimated recovery) / (total POS)
% LGD = 1 – recovery rate

4)The Company has estimated the loss given default, as a weighted average of the LGD of all default cases including that of written off cases computed using the historical recovery experience.

For the purpose of determining Loss Given Default (LGD), the Company has considered all loans that defaulted between January 2018 and December 2023, with a one-year recovery window until December 2024. An account level LGD has then been computed by deducting the discounted recoveries and adding the expenses on the discounted recovery to the amount of default. This is scaled up to a weighted average LGD for the entire portfolio. Recovery from each loan account is discounted using its own applicable rate of interest.

iii) Exposure at default

i) As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments.

ii) Exposure at default (EAD) is the extent of exposure on each account on the reporting date for Stage 1, 2 & 3 assets. EAD is computed as sum of Principal Outstanding &Accrued Interest (including any overdue interest). Exposure at default for Stage 1 and Stage 2 is adjusted using contracted cashflows to arrive at the Adjusted Exposure at default. No adjustments are made for exposure in Stage 3 as this exposure is already in default.

iii) The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument is subject to 12m ECL or Long term ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

e) ECL computation:

ECL at pool level was computed with the following method:

ECL for year (yet) = Adjusted EAD* PD (yet) * LGD (yet)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stages is summarized below:

Particulars	Provisions	As at March 31, 2025	As at March 31, 2024
Stage 1	12 month provision	1,398.93	1,000.53
Stage 2	Life time provision	304.03	208.16
Stage 3	Life time provision	8,780.08	3,240.06
Amount of expected credit loss provided for		**10,483.03**	**4,448.75**

36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

Also refer Note 74

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Reconciliation of ECL balance is given below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
ECL allowance - opening balance	**4,448.75**	**3,610.04**
Opening provision of Saija due to BTA	-	-
Addition during the year (net of reversals)	11,908.90	4,302.73
Addition during the year on account of Bad Debts	4,148.21	3,783.91
Write offs during the year	(10,022.83)	(7,247.93)
Closing provision of ECL	**10,483.03**	**4,448.75**

Also refer Note 74

Analysis of changes in the gross carrying amount of loans:

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,76,619.62**	**1,834.29**	**5,528.55**	**1,83,982.46**
New assets originated *	1,29,850.44	2,333.58	2,429.84	1,34,613.86
Asset derecognised or repaid	(1,13,652.22)	(3,210.28)	(3,486.15)	(1,20,348.65)
Movement Between Stages				
Transfer from stage 1	(22,787.76)	6,484.29	16,303.47	-
Transfer from stage 2	181.53	(580.59)	399.06	-
Transfer from stage 3	711.60	2.86	(714.46)	-
Write offs	(3,614.67)	(1,507.62)	(4,900.54)	(10,022.83)
As at the end of the year	**1,67,308.55**	**5,356.53**	**15,559.76**	**1,88,224.84**

* New assets originated are those assets which have originated during the year

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,54,924.85**	**1,753.77**	**6,572.92**	**1,63,251.54**
New assets originated *	1,35,006.15	737.18	1,081.16	1,36,824.50
Asset derecognised or repaid	(1,07,594.99)	(982.20)	(268.46)	(1,08,845.65)
Movement Between Stages				
Transfer from stage 1	(6,891.06)	2,091.12	4,799.94	-
Transfer from stage 2	618.61	(1,071.97)	453.36	-
Transfer from stage 3	1,146.33	6.22	(1,152.55)	-
Write offs	(590.26)	(699.84)	(5,957.83)	(7,247.93)
As at the end of the year	**1,76,619.62**	**1,834.29**	**5,528.55**	**1,83,982.46**

* New assets originated are those assets which have originated during the year

Analysis of changes in the ECL of loans:

As at March 31, 2025

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,000.53**	**208.16**	**3,240.06**	**4,448.75**
New assets originated *	1,137.69	166.54	696.49	2,000.72
Asset derecognised or repaid	995.74	811.58	264.81	2,072.13
Movement Between Stages				-
Transfer from stage 1	(165.30)	38.46	126.84	-
Transfer from stage 2	136.07	(151.48)	15.41	-
Transfer from stage 3	388.93	1.61	(390.54)	-
Write offs	(2,129.08)	(888.80)	(2,848.83)	(5,866.70)
Impact on ECL on account of movement between stages / updates to the ECL model	34.35	117.95	7,675.84	7,828.13
As at the end of the year	**1,398.93**	**304.03**	**8,780.08**	**10,483.03**

36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

As at March 31, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**345.36**	**518.13**	**2,746.55**	**3,610.03**
New assets originated *	829.09	169.74	622.35	1,621.18
Asset derecognised or repaid	(497.70)	225.34	551.53	279.16
Movement Between Stages				-
Transfer from stage 1	(25.98)	6.01	19.97	-
Transfer from stage 2	228.13	(346.55)	118.42	-
Transfer from stage 3	386.71	1.82	(388.53)	-
Write offs	(332.96)	(398.34)	(2,732.79)	(3,464.08)
Impact on ECL on account of movement between stages / updates to the ECL model	67.89	32.01	2,303	2,402.46
As at the end of the year	**1,000.53**	**208.16**	**3,240.06**	**4,448.75**

f) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of the aforesaid balances.

g) Analysis of credit concentration risks

The Company's concentrations of risk are managed by counterparty and geography. The maximum credit exposure to any individual client or counterparty as of March 31, 2025 was INR 10.00 Lakhs (March 31, 2024: INR 7.5 Lakhs)

The following table shows the risk concentration of loan portfolio by geography.

Geography	For the year ended March 31, 2025	For the year ended March 31, 2024
Tamil Nadu	86,779.36	87,058.60
Odisha	14,243.76	19,467.95
Karnataka	16,184.87	13,345.46
Chhattisgarh	7,211.35	6,065.19
Uttarakhand	4,389.40	5,034.22
Jharkhand	12,649.97	12,835.69
Uttar Pradesh	10,699.27	6,901.56
Haryana	5,122.49	3,672.13
Bihar	24,113.06	26,073.52
Punjab	5,442.95	3,528.14
Andhra Pradesh	1,388.36	-
Total	**1,88,224.84**	**1,83,982.46**

h) Change in accounting estimate

The company has a policy of reviewing ECL model annually (in the month of December). During the current year, the company has made a annual review and made such refinements to the model and assumptions that in its opinion are essential.

B. Cash and cash equivalent and Bank deposits

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

C. Other financial assets and Receivables

This balance is primarily constituted by security deposits and advance to employees. The Company does not expect any losses from non-performance by these counter-parties.

(ii) Liquidity risk

a. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

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

36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

d. Capital adequacy ratio of the Company, as on March 31, 2025 is 23.92% (YE March 31, 2024: 19.42%) against regulatory norms of 15%. Tier I capital is 17.47% (YE March 31, 2024: 17.22%) as against requirement of 10%. Tier II capital is 6.45% (YE March 31, 2024: 2.20%) which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Less than 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Non-derivative financial liabilities					
As at March 31, 2025:					
Trade Payables	422.98	422.98	-	-	-
Debt Securities*	58,880.33	15,364.12	43,516.21	-	-
Borrowings (Other than Debt Securities)*	1,03,330.59	57,657.69	39,806.27	5,866.63	-
Subordinated Liabilities*	13,871.89	2,106.08	-	8,316.22	3,449.59
Other financial liabilities	7,303.60	6,220.48	1,083.11		
Total	**1,83,809.39**	**81,771.36**	**84,405.59**	**14,182.84**	**3,449.59**
As at March 31, 2024:					
Financial Liabilities					
Trade payables	515.55	515.55	-	-	-
Debt Securities*	41,485.49	13,642.76	15,831.73	12,011.00	-
Borrowings (Other than Debt Securities)*	1,31,543.42	74,628.32	47,466.54	9,448.56	-
Subordinated Liabilities*	7,855.60	755.72	1,500.00	1,366.63	4,233.25
Other financial liabilities	6,354.46	5,166.79	1,187.67		
Total	**1,87,754.52**	**94,709.14**	**65,985.94**	**22,826.19**	**4,233.25**

* Gross of unamortized processing fee

Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis.

Particulars	Carrying amount	Less than 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Derivative financial instruments					
As at March 31, 2025					
Gross settled:					
Cross Currency Interest Rate swaps					
- Payable	(691.26)	(691.26)	-	-	-
Cross currency swaps					
- Payable	16.51	16.51	-	-	-
Total	**(674.75)**	**(674.75)**	-	-	-
As at March 31, 2024:					
Gross settled:					
Cross Currency Interest Rate swaps					
- Payable	815.68	815.68	-	-	-
Cross currency swaps					
- Payable	171.83	171.83			
Total	**987.51**	**987.51**	-	-	-

(ii) Market risk

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

36 Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

(a) Interest rate risk

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

Sensitivity analysis - Increase/ decrease of 100 basis points

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Debt Securities	(497.31)	497.31	(335.80)	335.80
Borrowings	(1,166.68)	1,166.68	(1,241.55)	1,241.55
Bank Deposits	197.50	(197.50)	156.25	(156.25)
Subordinated Liabilities	(107.51)	107.51	(66.36)	66.36

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37 Commitments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	NIL	NIL

38 Contingent liabilities

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Claims against the Company not acknowledged as debt		
a. Service tax related matters (net of provision)	44.86	44.86

b. The company has introduced a car leasing policy for employees. This policy enables employees to hire a car (a new car of their choice) based on their eligibility. For this purpose, the company has entered into a lease agreement with Sundaram Finance. According to the agreement, the company is not the owner of the asset but holds the car as a bailee. However, the car is registered under the company's name. In case the employee defaults on the lease rent, Sundaram will seize and sell the car to adjust against the same, and the company shall compensate Sundaram for any losses incurred due to default payment of lease rent.

39 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	5.55	-
Interest	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

40 Employee benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 774.50 lakhs (March 31, 2024: INR 792.84 lakhs).

40 Employee benefits (Continued)

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The calculation of the company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

I Details of actuarial valuation of gratuity pursuant to the Ind AS 19

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Change in present value of obligations		
Present value of obligations at the beginning of the year	586.07	499.28
Benefits paid	(129.82)	(81.41)
Current service cost	210.97	188.34
Transfer in Liability	-	0.81
Past service cost	-	-
Interest cost	39.50	34.26
Actuarial (gains) losses recognised in other comprehensive income	(176.31)	(55.19)
Present value of obligations at the end of the year	**530.42**	**586.07**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	417.86	279.85
Adjustment to Opening Fair Value of Plan Asset	24.97	-
Contributions paid into the plan	168.22	219.42
Benefits paid	(129.82)	(81.41)
Interest Income	32.34	25.28
Return on plan assets recognised in other comprehensive income	1.72	(25.28)
Fair value of plan assets at the end of the year	**515.30**	**417.86**
Net defined benefit liability	**15.13**	**168.22**
C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	210.97	188.34
Past service cost	-	-
Net interest	7.16	8.97
Total	**218.13**	**197.31**
Remeasurements recognised in other comprehensive income		
Actuarial loss on defined benefit obligations	(178.03)	(29.90)

D. Plan assets

The Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out below. Employees do not contribute to the plan. This plan is funded with SBI.

E. Defined benefit obligation

	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	6.42%	7.00%
Salary escalation	8.84%	8%
Attrition rate (Past service - PS)	PS : 0 to 5 : 84.44%	PS : 0 to 5 : 45%
	PS : 5 to 40 : 24.06%	PS : 5 to 40 : 3%

Notes:

a) The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for estimated term of obligation.

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(514.09)	548.03	(519.86)	666.46
Future salary growth (1% movement)	544.29	(517.25)	659.67	(523.96)

40 Employee benefits (Continued)

G. The expected payout of undiscounted gratuity is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2024-25						
Gratuity	157.13	100.85	77.80	63.28	60.95	141.37
2023-24						
Gratuity	43.58	31.57	37.01	25.14	23.89	171.55

II Details of actuarial valuation of Leave Encashment pursuant to the Ind AS 19

The Company provides encashment of compensated absence based on the approved Company policy. Employees whose service is permanent will be eligible for privilege of compensated absence on calendar year basis, and a maximum accumulation allowed is 5 days leaves in an year. Further, the employees can carry forward a portion of the unutilised accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence for a maximum of 30 days.

A. Change in present value of obligations	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Present value of obligations at the beginning of the year	219.06	156.81
Benefits paid	(64.78)	(48.85)
Current service cost	308.76	148.23
Transfer in Liability	0.00	0.00
Past service cost	-	-
Interest cost	13.19	9.50
Actuarial (gains) losses on Obligation	(154.43)	(46.63)
Present value of obligations at the end of the year	**321.80**	**219.06**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid	-	-
Interest Income	-	-
Return on plan assets recognised in other comprehensive income	-	-
Fair value of plan assets at the end of the year	-	-
Net defined benefit liability	**321.80**	**219.06**
C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	308.76	148.23
Actuarial (gains) losses on Obligation	(154.43)	(46.63)
Net interest	13.19	9.50
Total	**167.52**	**111.10**

D. Plan assets

The Plan is fully funded by the Company. The funding requirements are based on the Leave Encashment actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out below. Employees do not contribute to the plan.

E. Defined benefit obligation

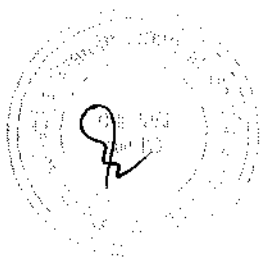
	For the year ended March 31, 2025	**For the year ended March 31, 2024**
Discount rate	6.42%	7.00%
Salary escalation	8.84%	8.00%
Expected average remaining service	0.48	4.16
Attrition rate (Past service - PS)	PS : 0 to 5 : 84.44%	PS : 0 to 5 : 45%
	PS : 5 to 40 : 24.06%	PS : 5 to 40 : 3%

Notes:

a) Encashment of compensated absence is payable to the employees on death or resignation or on retirement at the attainment of superannuation age, and it is not applicable on termination and unserved notice period of an employee.

b) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

c) The estimates of increase in future salary takes into account the inflation, seniority, promotion and other relevant factors.



40 Employee benefits (Continued)

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(315.72)	328.31	(202.89)	238.56
Future salary growth (1% movement)	326.64	(317.22)	237.44	(203.56)

G. Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below

Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality, attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instrument.

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated with reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

H. The expected payout of undiscounted Leave Encashment is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2024-25						
Leave Encashment	188.83	50.33	26.59	20.09	20.52	44.06
2023-24						
Leave Encashment	61.28	32.07	18.95	8.78	5.14	39.72

40 Employee benefits (Continued)

III Details of actuarial valuation of long service bonus pursuant to the Ind AS 19

The long service bonus is a cash-based incentive program has been discontinued by the company in the current financial year. The provision is created for Rs 255.10 lakhs for the payment of last instalment.

A. Change in present value of obligations	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of obligations at the beginning of the year	-	251.82
Benefits paid	-	(251.82)
Current service cost	-	307.96
Transfer in Liability	-	-
Past service cost	-	-
Interest cost	-	17.38
Actuarial (gains) losses on Obligation	-	150.79
Present value of obligations at the end of the year	**-**	**476.13**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid	-	-
Interest Income	-	-
Return on plan assets recognised in other comprehensive income	-	-
Fair value of plan assets at the end of the year	**-**	**-**
Net defined benefit liability	**-**	**476.13**
C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	-	307.96
Actuarial (gains) losses on Obligation	-	-
Net interest	-	17.38
Total	**-**	**325.34**
Remeasurements recognised in other comprehensive income		
Actuarial (Gain)/loss on defined benefit obligations.	-	150.79

D. Plan assets

The Plan is fully funded by the Company. Employees do not contribute to the plan. The plan has been discontinued by the company in the current financial year.

E. Defined benefit obligation

	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	0.00%	6.90%
Salary escalation	0.00%	4.00%
Expected average remaining service	-	0.91
Attrition rate (Past service - PS)	0%	PS : 0 to 40 : 45%

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	(469.93)	482.49
Future salary growth (1% movement)	-	-	480.99	(471.30)

40 Employee benefits (Continued)

G. Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below

Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality,attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instrument.

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated with reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

H. The expected payout of undiscounted Leave Encashment is as follows:

Particulars	Upto 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	6 to 10 years
2024-25						
Long Service Bonus	-	-	-	-	-	-
2023-24						
Long Service Bonus	176.50	152.48	156.83	37.64	0.32	-

41 Employee stock option plan (ESOP)

Dvara KGFS Employee Stock Option Plan 2019 ("ESOP Plan") has been approved by the shareholders of the Company, by way of a special resolution, authorizing the Committee to grant not more than 2,26,905 options (at any point of time after excluding optioned granted to resigned employees) to eligible employees in one or more tranches, from time to time of face value Rs.100 each fully paid up, with each such option conferring a right upon the employees to apply for one share in the Company in accordance with the terms and conditions as may be decided under the Plan. The shareholders of the Company have approved the Plan by way of an special resolution and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

Dvara KGFS Employee Stock Option Plan 2019

The options were issued on April 01, 2019, January 02, 2020, March 30, 2021, November 02, 2021, October 01, 2022 May 31, 2023 and December 27, 2024. The options are vested over a period of 4 years in the proportion of 25:25:25:25.

A brief overview of the scheme is summarized as under:

Particulars	Tranch I	Tranch I	Tranch II	Tranch III
Effective date of Scheme:	01-Apr-19	10-May-19	02-Jan-20	30-Mar-21
Approval of Board of directors:	01-Apr-19	10-May-19	02-Jan-20	30-Mar-21
Date of EGM	01-Feb-19	01-Feb-19	01-Feb-19	01-Feb-19
Tenure of scheme	4 years	4 years	4 years	4 years
Vesting period	1 year	1 year	1 year	1 year
Total number of eligible employees	28	28	28	39
Exercise price in INR	346	346	380.59	477.11
Number of options granted	55,330	10,320	25,306	43,199
Fair value of options at grant date (in INR)	97.2 to 188.3	97.2 to 188.3	88.27 to 176.31	225.94 to 317.56

Particulars	Bonus & Increme	Tranch IV	Tranch V	Tranch VI
Effective date of Scheme:	30-Mar-21	02-Nov-21	01-Oct-22	31-May-23
Approval of Board of directors:	30-Mar-21	02-Nov-21	01-Oct-22	01-Oct-22
Date of EGM	01-Feb-19	26-Mar-21	30-Sep-22	30-Sep-22
Tenure of scheme	1 year	4 years	4 years	4 years
Vesting period	1 year	1 year	1 year	1 year
Total number of eligible employees	38	41	41	36
Exercise price in INR	477.11 and 429.39	525.43	460	466
Number of options granted	16,370	41,652	56,535	47,200
Fair value of options at grant date (in INR)	225.94 to 317.56	107.17 to 224.54	183.33 to 310.50	96.20 to 168.43

41 Employee stock option plan (ESOP) (continued)

Particulars	Tranch VII
Effective date of Scheme:	27-Dec-24
Approval of Board of directors:	04-Dec-24
Date of EGM	27-Dec-24
Tenure of scheme	4 years
Vesting period	1 year
Total number of eligible employees	40
Exercise price in INR	409.50
Number of options granted	42,600
Fair value of options at grant date (in INR)	194.10 to 227.00

Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	Weighted average exercise price per option		Number of options	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Outstanding at beginning of year	448.09	450.33	1,59,162	1,76,745
Less: Forfeited during the year	452.90	430.48	31,158	64,783
Less: Exercised during the year	-	-	-	-
Add: Granted during the year	409.50	466.00	42,600	47,200
Outstanding as at end of year	**437.55**	**448.09**	**1,70,604**	**1,59,162**

Expense recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Share based payments to employees #	25.43	(36.34)

The Share based payments to employees is negative for the year ended 31st March 2024 on account of forfeiture of options granted to resigned employees.

Measurement of fair values

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. The various inputs considered in the pricing model for the stock options granted by the Company during the year are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Share price on grant date (INR)	454.93	460.00
Weighted average share price (INR)	437.55	448.09
Exercise price (INR)	409.50	466.00
Fair value of options at grant date (INR)	194.10 to 227.00	96.20 to 168.43
Expected volatility	36.2%- 38.7%	15.46%-17.69%
Option term	1-4 years	1-4 years
Expected dividends	Nil	Nil
Risk free interest rate	6.70%- 6.75%	6.88%- 6.98%

42 Related party disclosures

Related party relationships and transactions are as identified by the management.

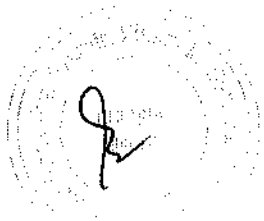
Entities with substantial interest over the company	Dvara Trust, represented by Dvara Holdings
Enterprise in which controlling entity / KMP has significant influence	Dvara Holdings Dvara Research Foundation Dvara Solutions Private Limited Dvara Money Private Limited Dvara E-Registry Private Limited Dvara Smartgold Private Limited Dvara E-Diary Solutions Private Limited Dvara Health Finance Private Limited
Enterprise in which company has significant influence	Saija Finance Private Limited
Key Managerial Personnel (KMP)	Ms. Shilpa Bhatter, Chief Financial Officer Ms. Deepika Bhatt, Company Secretary (till March 31, 2025) Mr. LVLN Murty, Managing Director & CEO Ms. Bindu Ananth, Director & Chairman Mr. Samir Amrit Shah, Director & Vice Chairman

42 Related party disclosures (continued)

Independent Directors	Mr. Hemanth Ratnakar Adarkar (Since 24th May 2023) Ms. Gowri Thyagarajan (Since 1st August 2022) Ms. Anisha Motwani Mr. Raman Uberoi
Non Executive Director	Mr. John Henry Fischer Mr. Pranav Kumar Gupta, Nominee Director Mr. Thomas Klungsoeyr, Nominee Director
Close member of KMP and entities controlled/jointly controlled by KMP	Mr. Amrut Madhav Gujarathi Ms. Aruna Amrut Gujarathi Ms. Ritu Shah Mr. L Krishna Murty Ms. L Usha Ms. L S Prabhavati

A. Transactions during the Year :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dvara Trust		
Advance taken	-	-
Loan Repaid	137.29	75.00
Loan Obtained	-	125.00
Interest expenses***	12.38	11.08
Professional & consultancy fee paid	2.13	35.60
Dvara Solutions Private Limited		
Technology fees	296.44	225.01
Customization fee	3.38	-
Loan Repaid	-	-
Loan Obtained	-	-
Interest expenses***	-	-
Dvara Smartgold Private Limited		
Commission income	-	0.81
Deposit given/(refunded)	-	(15.00)
Other Expenses	-	43.95
Dvara Holdings		
Rent	212.69	184.15
Loan Obtained	425.00	2,557.00
Loan Repaid	2,020.85	4,455.49
Other Expenses	12.60	36.75
Interest expenses***	68.00	212.10
Saija Finance Private Limited		
Employee reimbursement	-	16.50
Payment made by the company on behalf of Saija	4.81	7.91
Gratuity	-	25.95
Dvara E Dairy Solutions Private Limited		
Loan Received	290.00	127.00
Loan Repaid	296.37	555.68
Interest expenses***	6.37	16.93
Dvara E- Registry Solutions Private Limited		
Loan Received	150.00	250.00
Loan Repaid	150.22	250.00
Interest expenses***	1.20	2.05



42 **Related party disclosures (continued)**

Director Sitting Fees		
Ms. Anisha Motwani	10.00	8.00
Mr. Raman Uberoi	12.00	13.50
Ms. Gowri Thyagarajan	9.50	10.00
Mr. Hemant Ratnakar Adarkar	16.50	9.00
Remuneration to Key Managerial Personnel #		
Mr. G. Vijayakumar (till May 31, 2023)	-	23.44
Ms. Shilpa Bhatter	86.59	69.34
Mr. LVLN Murty	132.46	111.84
Ms. Deepika Bhatt (till March 31, 2025)	18.72	17.81
Relatives to Key Managerial Personnel		
Interest on Non-convertible debentures paid to relatives	7.26	6.21
Amount repaid to relatives	10.00	10.00
Relatives to Directors		
Interest on Non-convertible debentures paid to relatives	6.07	7.59
Principal amount repaid to relatives	25.00	-
Non-convertible debentures amount received from relatives	-	25.00

Amount attributable to post employment benefits has not been disclosed as the same cannot be identified distinctly in the actuarial valuation and the Employer PF contribution has been included in the PY figures.
Since the company's equity share capital is unlisted, the ESOP options granted to the KMPs will be disclosed upon exercise of the options.
*** Interest Expenses includes only actual cash outflow on account of interest and does not include interest accrued.

B. Balances as at year end:

Particulars	As at March 31, 2025	As at March 31, 2024
Dvara Trust		
Receivable	-	-
Term loan - Repayable on Demand*	-	126.15
Dvara Solutions Private Limited		
Advances	-	-
Trade payables	-	-
Dvara Smartgold Private Limited		
Deposit	-	-
Receivable-DSSP	-	-
Trade receivable	-	1.02
Dvara Holdings		
Term loan - repayable on demand*	-	1,590.53
Rental Advance	-	-
Provisions	-	0.81
Saija Finance Private limited		
Receivable	-	-
Others	81.51	76.69
Dvara E-Dairy Solutions Private Limited		
Term loan - repayable on demand*	-	-
Individual NCD belonging to Close member of KMP	75.00	97.51

* Includes interest accrued and net of unamortised processing fees.

43 Segment reporting

Operating segments

The Company's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or guarantees. The information relating to this operating segment is reviewed regularly by the Company's Board of Directors (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 Operating Segments.

44 Leases

In the cases where assets are taken on operating lease (as lessee)

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises used for operating activities. In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at April 01, 2019, and thereafter, at the inception of respective lease contracts and Right of use (ROU) asset is equal to lease liability subject to certain practical expedients as allowed by the standard.

The following is the summary of practical expedients applied as allowed under Ind AS 116.

a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

b) Availed the exemption of not to recognize ROU assets and liabilities for leases of low value assets and leases with less than 12 months (short-term lease) of lease term on the date of initial application as at April 01, 2019 and thereafter;

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application as at April 01, 2019 and thereafter;

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e) Used hindsight to determine the lease term of contracts.

i) Total lease liabilities are analysed as follows:

Lease liabilities	As at March 31, 2025	As at March 31, 2024
Current	310.45	84.93
Non-current	1,083.11	1,175.96
Total	**1,393.57**	**1,260.89**

ii) Amounts recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation charge of right-of-use assets		
Office Premises	377.18	202.86
Total	**377.18**	**202.86**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses)	157.35	407.34
Interest on lease liabilities (included in finance costs)	193.19	24.27

iii) Total cash flows for leases and commitments for the short term leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total cash outflow for leases	649.02	676.17
Total commitments for short-term leases	-	-

iv) The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Office Premises	-	-

44 Leases (continued)

v) The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year	493.98	408.73
Between 1 and 2 years	433.21	337.33
Between 2 and 5 years	747.18	735.00
More than 5 years	325.40	277.11
Total	**1,999.77**	**1,758.16**

vi) Movement in lease liabilities during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	1,260.89	816.67
Additions during the period	431.15	688.78
Finance cost incurred during the period	193.19	24.27
Termination of lease and adjustment during the period	-	-
Payment of lease liabilities	(491.67)	(268.83)
Balance at the year end	**1,393.56**	**1,260.89**

Note: Refer Note 10B for movement in right of use of assets.

45 Additional Disclosures as required by the Reserve Bank of India

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total gold loan portfolio	232.00	964.53
Total assets	1,88,224.84	1,83,982.46
Gold loan portfolio as a percentage of total assets	0.12%	0.52%

Details of Gold Loan auction conducted during the year

Period	Number of loan accounts	Principal amount outstanding at the dates of auctions (A)	Interest amount outstanding at the dates of auctions (B)	Total (A+B)	Value fetched
31-Mar-25	-	-	-	-	-
31-Mar-24	34.00	4.14	-	4.14	7.01

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46 Disclosures under Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023

Capital adequacy ratio

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The below disclosures under Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, as updated, are in accordance with Indian Accounting Standards (IND AS).

i Net Debt to Equity Ratio

Consistent with the others in industry, the company monitors the capital on the basis of gearing ratio (Net debt divided by equity). Under the terms of the major borrowing facilities, the company is required to maintain the gearing ratio in line with the RBI guidelines or in a slightly more conservative manner. The actual gearing stipulated differs between the various lending agreements. The company has complied with this covenant through out the year.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Equity (Including Compulsorily convertible cumulative preference shares)	42,414.96	38,760.40
Debt (Includes debt securities, borrowings and Subordinated liabilities)	1,74,941.23	1,79,357.83
Cash and cash equivalents (excluding Bank balance other than cash and cash equivalents)	27,169.67	24,951.54
Bank balance which are lien marked for the purpose of borrowings	8,135.65	11,695.70
Net Debt	**1,39,635.90**	**1,42,710.58**
Net Debt to Equity Ratio	**3.29**	**3.68**

ii Regulatory capital

The company has to mandatorily comply with the capital adequacy requirements stipulated by Reserve Bank of India from time to time. Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

Tier I capital comprised of share capital, share premium, retained earnings including current year profit and Tier II capital comprises of provision on standard assets. Tier I and Tier 2 has been reported on the basis of Ind AS financial information. Risk weighted assets represents the weighted sum of company's credit exposures based on their risk.

Particulars	Carrying amount	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Tier I Capital	29,159.21	27,885.15
Tier II Capital	10,761.46	3,556.68
Total Capital	**39,920.67**	**31,441.83**
Amount of subordinated debt raised as Tier-II capital	6,165.00	5,670.50
Risk weighted assets	1,66,896.17	1,61,906.86
Tier I Capital Ratio (%)	17.47%	17.22%
Tier II Capital Ratio (%)	6.45%	2.20%
Tier Capital Ratio (%)	23.92%	19.42%

47 **Investments**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Value of investment		
Gross value of investments		
- In India	1,963.02	81.21
- Outside India	-	-
Provisions for investments		
- In India	-	-
- Outside India	-	-
Net value investments		
- In India	1,963.02	81.21
- Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write off/ write back/ reversal of provision during the year	-	-
Closing balance	-	-

Derivatives

a) **Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The notional principal of swap agreements	36,780.31	25,391.98
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
The fair value of the swap book (Asset / (Liability))	674.75	(987.51)

b) **Exchange Traded Interest Rate (IR) Derivative**

The Company has not entered into any exchange traded derivative. The Company is not carrying out any activity of providing Derivative cover to third parties.

c) **Disclosures on Risk Exposure in Derivatives**

Qualitative Disclosures:

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of MD/ CFO/ Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures: - Currency derivative

Foreign currency non-repatriate loans availed:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Derivatives (Notional Principal Amount)		
- For hedging	36,780.31	25,391.98
ii) Marked to Market Positions		
a) Asset (+) Estimated gain	674.75	-
b) Liability (-) Estimated loss	-	987.51
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

48 Disclosure Pursuant to Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)

S.N Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
1. Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not				
(a) Debentures				
- Secured	54,854.90	-	39,276.43	-
- Unsecured	4,028.08	-	2,209.06	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	83,074.37		90,347.40	
(d) Inter-Corporate Loans and Borrowings	-	-	1,716.67	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits		-		-
(g) Subordinated Liabilities	13,871.89		7,855.60	
(h) Other Loans	20,253.17	-	27,004.42	-
Note : Above balances are gross of unamortised processing fee.				
2. Break-up of (I)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-	-	-
(c) Other public deposits	-	-	-	-

Assets side:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
3. Break-up of Loans and Advances * including Bills Receivables [other than those included in (4) below]:		
(a) Secured	902.94	967.51
(b) Unsecured	1,30,724.23	1,83,014.94
** Excludes impairment loss allowance*		
4. Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i) Lease Assets including Lease Rentals Accrued and Due:		
a) Financial Lease	-	-
b) Operating Lease	-	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC Activities		
a) Loans where Assets have been Repossessed	-	-
b) Loans other than (a) above	-	-

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48 Disclosure Pursuant to Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)(Continued)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
5. Break-up of Investments (net of provision for diminution in value):		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and bonds	-	-
iii. Units of Mutual Funds	88.30	81.21
iv. Government Securities	-	-
v. Others		
a) commercial paper	-	-
II. Unquoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	1,874.72	-
b) units of alternative investment fund	-	-
Long Term Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares		-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	-	-
b) units of alternative investment fund	-	-
c) share warrants	-	-

6. Borrower Group-wise Classification of Assets Financed as in (3) and (4) above:

Category	As at March 31, 2025 (Net of provisions)		As at March 31, 2024 (Net of provisions)	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	902.94	1,76,838.87	967.51	1,78,566.20
	902.94	**1,76,838.87**	**967.51**	**1,78,566.20**

48 Disclosure Pursuant to Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)(Continued)

7. Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)

Category	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2025	Book Value as on March 31, 2025 (Net of provisions)	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2024	Book Value as on March 31, 2024 (Net of provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,963.02	1,963.02	81.21	81.21
	1,963.02	**1,963.02**	**81.21**	**81.21**

8 Other Information

Particulars	As at March 31, 2025		As at March 31, 2024	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i) Gross Non-Performing Assets (stage 3 assets)	-	15,559.76	-	5,528.55
(ii) Net Non-Performing Assets (stage 3 assets)	-	6,779.69	-	2,288.49
(iii) Assets Acquired in Satisfaction of Debt	-	-	-	-

Note : NPA contracts represents the Stage 3 contracts. Also this excludes the impact of the fair value changes on the financial assets. Also refer Note 36.

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Dvara Kshetriya Gramin Financial Services Private Limited
Notes to the financial statements for the the year ended March 31, 2025
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

49A Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities As at March 31, 2025

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks and others	4,644.72	652.36	3,385.12	3,518.34	5,184.66	16,125.50	24,146.99	39,806.27	5,866.63	-	1,03,330.59
Market borrowings (debt securities)	496.43	540.00	188.03	1,446.16	2,491.06	3,233.71	6,968.73	43,516.21	-	-	58,880.33
Subordinated Liabilities	1,801.58	-	4.86	-	168.81	130.84	-	-	8,316.22	3,449.59	13,871.89
Total	**6,942.72**	**1,192.36**	**3,578.00**	**4,964.50**	**7,844.53**	**19,490.05**	**31,115.72**	**83,322.48**	**14,182.84**	**3,449.59**	**1,76,082.81**
Assets											
Advances	5,954.27	7,231.79	1,640.36	9,635.79	9,550.15	28,343.38	51,379.16	73,638.72	747.07	58.32	1,88,179.00
Investments	-	-	1,874.72	-	-	-	88.30	-	-	-	1,963.02
Total	**5,954.27**	**7,231.79**	**3,515.08**	**9,635.79**	**9,550.15**	**28,343.38**	**51,467.46**	**73,638.72**	**747.07**	**58.32**	**1,90,142.02**

Maturity Pattern of certain items of Assets and Liabilities As at March 31, 2024

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks and others	5,671.57	556.87	5,034.58	6,754.37	9,027.77	22,895.55	24,687.61	47,466.54	9,448.56	-	1,31,543.42
Market borrowings (debt securities)	95.32	7.87	145.83	1,077.74	3,303.34	4,997.77	4,014.89	15,831.73	12,011.00	-	41,485.49
Subordinated Liabilities	-	2.51	-	545.00	-	208.21	-	1,500.00	1,366.63	4,233.25	7,855.60
Total	**5,766.89**	**567.25**	**5,180.41**	**8,377.11**	**12,331.11**	**28,101.53**	**28,702.50**	**64,798.27**	**22,826.19**	**4,233.25**	**1,80,884.51**
Assets											
Advances	5,638.47	7,096.14	3,564.29	9,361.21	9,554.75	28,197.28	50,470.65	65,947.57	111.05	5,529.73	1,85,471.14
Investments	-	-	-	-	-	-	81.21	-	-	-	81.21
Total	**5,638.47**	**7,096.14**	**3,564.29**	**9,361.21**	**9,554.75**	**28,197.28**	**50,551.86**	**65,947.57**	**111.05**	**5,529.73**	**1,85,552.35**

Note: - The balances are gross of impairment loss allowance
- Above balances are gross of unamortised component of sourcing cost/ income which is adjusted as part of loan/borrowing balances.

49B Public disclosure on Liquidity risk management

i. Funding concentration based on significant Counterparty *(both deposits and borrowings)

As at March 31, 2025

Number of significant counterparties	Amount (₹ in Crore)	Total Borrowings (%)	Total Liabilities (%)
19	1,578.04	90%	86%

As at March 31, 2024

Number of significant counterparties	Amount (₹ in Crore)	Total Borrowings (%)	Total Liabilities (%)
19	1,489.81	83%	79%

ii. Top 20 large deposits (amount in ₹ Crore and % of total deposits)-

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

iii. Top 10 borrowings (amount in ₹ Crore and % of total borrowings)

As at March 31, 2025

Amount (Rs in Crore)	Total Borrowings (%)
1,275.83	72.93%

As at March 31, 2024

Amount (Rs in Crore)	Total Borrowings (%)
1,173.85	65.45%

iv. Funding concentration based on significant instrument / product*

As at March 31, 2025

Name of the instrument/ product	Amount (₹ in Cr)	Total liabilities(%)
Secured debentures from others	384.69	20.95%
Secured Bonds from other parties	159.05	8.66%
Unsecured debentures from others	40.20	2.19%
Term loan from banks	296.73	16.16%
Term loan from others	160.77	8.76%
Securitization borrowings	193.16	10.52%
External commercial borrowings	367.80	20.03%
Subordinated term loan from banks	15.20	0.83%
Debentures	19.08	1.04%
Subordinated term loan from others	102.88	5.60%

As at March 31, 2024

Name of the instrument/ product	Amount (₹ in Cr)	Total liabilities(%)
Secured debentures from others	386.97	20.58%
Unsecured debentures from others	21.98	1.17%
Term loan from banks	438.90	23.34%
Term loan from others	326.59	17.37%
Securitization borrowings	259.93	13.83%
External commercial borrowings	253.92	13.51%
Subordinated term loan from banks	20.00	1.06%
Subordinated term loan from others	57.41	3.05%

v. Stock Ratios

As at March 31, 2025

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	4.20%	4.00%	3.25%

As at March 31, 2024

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	4.27%	4.08%	3.38%

49B Public disclosure on Liquidity risk management (continued)

vi. Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 05, 2011.

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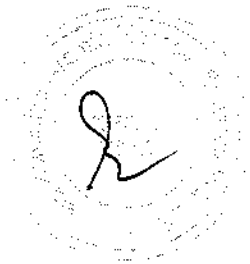
50 Disclosure of frauds reported during the year ended March 31, 2025

Particulars	Less than INR 1 Lakh		More than INR 1 Lakh less than INR 25 Lakh		Above INR 25 Lakh		Total	
	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)
Person involved:								
Staff	318.00	38.99	21.00	46.05	1.00	71.00	340.00	156.04
(Previous year)	(101.00)	(22.83)	(20.00)	(69.00)	-	-	(121.00)	(91.83)
Outsiders	-	-	-	-	-	-	-	-
(Previous year)	-	-	-	-	-	-	-	-
Type of fraud:								
Misappropriation and criminal breach of trust, manipulation of books of accounts, cheating and forgery	318.00	38.99	21.00	46.05	-	-	340.00	156.04
(Previous year)	(101.00)	(22.83)	(20.00)	(69.00)	-	-	(121.00)	(91.83)
Forgery with intention to committee fraud by making any false documentation/electric record *	-	-	-	-	1.00	71.00	-	-
(Previous year)	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
(Previous year)	-	-	-	-	-	-	-	-
Total	**318.00**	**38.99**	**21.00**	**46.05**	**-**	**-**	**340.00**	**156.04**

*In March 2025, the Operations team identified a fraud at the Budhlada Branch, Punjab, involving manipulation of KYC documents and disbursement of 71 enterprise loans totaling Rs. 71 lakhs to associates of branch staff, with the collusion of all employees, who have since absconded. The KYC process is being strengthened, starting with mandatory Voter ID checks. A forensic audit has been initiated, and a police complaint has been lodged with steps underway to file an FIR.

(Numbers in bracket represent previous year balances)

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51 Exposure to Real estate sector

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Direct Exposure		
i. Residential Mortgages - (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented);	670.94	-
ii. Commercial Real Estate – (Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family 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)	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential	-	-
b) Commercial Real Estate	-	-

52 Exposure to capital market

The Company's entire loan portfolio (Loans) is unsecured except to the extent of Jewel loans. Further the loans are made to individuals/group of individuals only. Also, the Company has made investments in current year and previous year only in pass through certificate. Accordingly, disclosures in relation to capital markets is not applicable.

53 Disclosures relating to Direct Assignment and Securitisation

53.1 Disclosure pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 vide RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

i) Details of Loans (not in default) transferred during the year

Sl no	Particulars	To ARCs	To permitted transferee	To other transferees
1	No. of accounts	Nil	1,32,631.00	Nil
2	Aggregate principal outstanding of loans transferred (INR in lakhs)	Nil	52,456.65	Nil
3	Sale Consideration (INR in lakhs)	Nil	47,980.77	Nil
4	Number of Transactions	Nil	10.00	Nil
5	Weighted average residual tenor of the loans transferred (in months)	Nil	16.00	Nil
6	Weighted average holding period after origination (in months)	Nil	6.79	Nil
7	Retention of beneficial economic interest	Nil	8.53%	Nil
8	Rating-wise distribution of rated Loans	Nil	NA	Nil
9	Instances where it has agreed to replace loans transferred to transferee	Nil	Nil	Nil
10	Pay damages arising out of any representation or warranty	NA	NA	NA
11	Coverage of Tangible Security Coverage	NA	Nil	NA

ii) The company has not acquired loans (not in default) during the year ended 31st March 2025

iii) The company has not transferred any stressed loans during the year ended 31st March 2025

iv) The company has not acquired any stressed loan during the year ended 31st March 2025

53.2 Details of securitisation transactions undertaken

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. No of SPVs sponsored by the NBFC for securitisation transactions	6	14
2. Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	22,525.07	30,742.55
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	1,975.37	4,179.68
Others	3,716.44	2,649.03

53.2 Details of securitisation transactions undertaken (continued)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
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	-	-
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation $		
Form and quantum (outstanding value) of services provided ***		
Performance of facility:		
(a) Amount paid **	35,797.42	43,481.06
(b) Repayment received ^^	33,952.34	44,317.00
(c) Outstanding amount ^	19,315.92	28,377.55
Servicing fee	13.00	25.20
Credit enhancement in the form of Loan (10% of pool amount) and cash collateral (5% of pool amount)	5,691.81	6,828.71

Average default rate of portfolios observed in the past. ##
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding
^ Principal outstanding/payable considered under collateralised borrowing from banks arising out of securitisation transaction in financial statement.
# Principal outstanding of the pool as at the year end
** Principal amount paid to Investor out of the collection made.
^^ Principal Collection made from the pool.
There were no securitisation/PTC transaction deal undertaken by Company in last 5 year (excluding the current running transaction).

*** Company considers the securitization as one of the mode of fund raising. As this do not meets the criteria for derecognition, the same remains on balance sheet item and the amount received is considered as borrowing. Company remits the interest payable and principal collection from the pool to the lender at periodic intervals as per the agreement.

54 Details of non- performing financial assets purchases / sold
The Company has neither purchased nor sold any non- performing financial assets during the previous year.

55 Details of financing of Parent Company products
The Company has no exposures in this regard and accordingly disclosures in relation to this are not applicable.

56A Details of Single Borrower Limits (SBL)/ Group Borrower Limits (GBL) exceeded
The Company has not exceeded the single borrower limit as set by Reserve Bank of India for the year ended March 31, 2025 and March 31, 2024

56B Unsecured Advances - Refer Note 7

57 Advances against Intangible Securities
The Company has not given any loans against intangible securities

58 Registration/ licence/ authorisation obtained from other financial sector regulators :

Regulator	Registration Number
Ministry of Corporate Affairs	U65991TN1993PTC024547
Reserve Bank of India	B-07-00627

Registration / Licence	Authority issuing the registration	Registration / Licence reference
Certificate of Registration	Insurance Regulatory And Development Authority Of India	CA0646 dated April 05, 2025
Registration / Licence	**Authority issuing the registration**	**Registration / Licence reference**
Certificate of Registration	Reserve Bank of India	B-07-00627 dated March 28, 2019

59 Penalties imposed by RBI and other regulators

The Goods and Services Tax department imposed a penalty of Rs. 50,000 for not adding the additional place of business.

60 Exposure to Perpetual Debt Instruments (PDI)

The Company does not have any exposure to Perpetual Debt Instruments during the year ended March 31, 2025 and March 31, 2024.

61 Ratings

Particulars	Rating agency	Date of rating	For the year ended March 31, 2025	Date of Rating	For the year ended March 31, 2024
Bank facilities	CARE	05-03-2025	BBB+	08-01-2024	BBB+
	CARE-Short term	05-03-2025	A2	08-01-2024	A2
	CRISIL	09-10-2024	BBB+	12-12-2023	BBB+
	ACUITE*	07-03-2025	-	05-01-2024	A-
Subordinated debt issue	CRISIL	09-10-2024	BBB+	12-12-2023	BBB+
	CARE	05-03-2025	BBB+	08-01-2024	BBB+
Commercial Paper	ACUITE*	07-03-2025	-	05-01-2024	A2
	CARE	05-03-2025	A2	08-01-2024	A2
Non-convertible debentures - Long Term	CARE	05-03-2025	BBB+	08-01-2024	BBB+
	ACUITE*	07-03-2025	-	05-01-2024	A-
	CRISIL	09-10-2024	BBB+	12-12-2023	BBB+
	BRICKWORK*	26-02-2025	-	04-03-2024	BBB+
Non-convertible debentures - Short Term	ACUITE*	07-03-2025	-	05-01-2024	A2
Non-convertible debentures (MLD) - Long Term	ACUITE*	07-03-2025	-	05-01-2024	A-
	CRISIL	09-10-2024	BBB+	12-12-2023	BBB+

Note: ACUITE & Brickworks *-Rating is withdrawn as on 07-03-2025 & 26-02-2025

62 Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment on financial assets*	**11,900.34**	**4,951.88**
Provision towards NPA	11,406.03	4,004.78
Provision for Standard Assets	494.31	391.70
Impairment loss allowance (receivables)	35.16	-
Provision for Income Tax	1,042.80	1,420.75
Provision for gratuity	218.13	197.31
Provision for leave encashment	167.52	111.10
Provision for depreciation on Investment	-	-

* Includes impairment on financial assets (stage 3) amounting to INR 8780.07 lakhs (March 31, 2024: INR 3,240.06 lakhs). Also refer note 34

63 Draw down from reserves

The company has not made any drawdown from existing reserves during the year ended March 31, 2025 and March 31, 2024.

64 **Concentration of advances**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total advances to twenty largest borrowers	162.14	84.03
Percentage of advances to twenty largest borrowers to total	0.09%	0.05%

65 **Concentration of exposures**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total exposure to twenty largest borrowers	162.14	84.03
Percentage of exposures to twenty largest borrowers to total	0.09%	0.05%

66 **Concentration of NPA Contracts***

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total exposure to top four NPA accounts	17.09	13.50

** represents stage 3 contracts*

67 **Movement of Non-Performing Assets (NPA's)**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) **Net NPAs to net advances (%)** (Net of provision for NPAs)	**3.91%**	**1.26%**
(b) **Movement of gross NPAs**		
Opening balance	5,528.55	6,572.92
Additions during the year	14,804.95	5,154.98
Reductions during the year	(4,773.74)	(6,199.35)
Closing balance	**15,559.77**	**5,528.55**
(c) **Movement of net NPAs**		
Opening balance	2,288.49	3,793.08
Additions during the year (net)	6,441.16	2,060.39
Reductions during the year	(1,949.96)	(3,564.98)
Closing balance	**6,779.70**	**2,288.49**
(d) **Movement of provisions for NPAs (excluding contingent provisions against standard assets)**		
Opening balance	3,240.06	2,779.84
Provisions made during the year	8,363.79	3,094.59
Write-off / write-back of excess provisions	(2,823.78)	(2,634.37)
Closing balance	**8,780.07**	**3,240.06**

Note : NPA contracts represents Stage 3 contracts and the NPA Provision represents the Loss allowance on Stage 3 contracts. This is based on the yearly movement of NPA accounts. The Net advance is arrived at by adding back processing fee and deducting NPA provision to gross loans.

Movement of provisions held towards guarantees		
Opening balance	76.53	37.42
Add: Provisions made during the year		39.11
Less: Write off/ write back/ reversal of provision during the year	-	-
Closing balance	**76.53**	**76.53**

Note : The above disclosure also includes the loss allowance towards undrawn loans.

68 **Overseas assets (for those with joint ventures and subsidiaries abroad)**
There are no overseas asset owned by the Company

69 **Off-balance sheet SPVs sponsored**
There are no SPVs which are required to be standalone as per accounting norms.

70 Customer complaints

	For the year ended March 31, 2025	For the year ended March 31, 2024
No. of complaints pending at the beginning of the year	-	5
No. of complaints received during the year	4,251.00	2,384
No. of complaints redressed during the year	4,251.00	2,389
No. of complaints pending at the end of the year	-	-

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
Current year					
Collection related	-	971.00	539%	-	-
Complaint against staff	-	472.00	219%	-	-
Disbursement Related	-	195.00	(52%)		
Direct Third Party Products	-	-	-		
HR Related	-	42.00	320%		
Insurance & NPS	-	852.00	71%	-	
Loan related	-	1,457.00	54%		
Mitra Application	-	242.00	27%		
Product Related	-	20.00	(33%)		
Grand Total	-	**4,251.00**		-	-

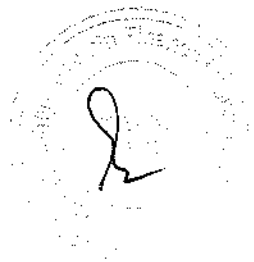
Previous year					
Collection related	-	152.00	(7%)	-	-
Complaint against staff	1.00	148.00	270%	-	-
Disbursement related	-	409.00	297%	-	-
Direct Third Party Products	-	-	(100%)	-	-
HR Related	-	10.00	100%	-	-
Insurance & NPS	-	497.00	215%	-	-
Loan related	1.00	947.00	239%	-	-
Product related	-	191.00	20%	-	-
Mitra Application	3.00	30.00	213%	-	-
Grand Total	5.00	**2384.00**	0%	-	-

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71 Sector-wise NPAs (Percentage of NPA's to total advances in that sector)

Sectors	Current Year (Mar'25)			Previous Year (Mar'24)		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**755.34**	**59.42**	**7.87%**	**951.90**	**17.11**	**1.80%**
2. Industry						
i)Expansion of existing business / setting additional business	324.72	43.09	**13.27%**	460.27	12.66	**2.75%**
ii)Purchase of additional stock / raw material	197.30	9.81	**4.97%**	135.68	5.87	**4.33%**
iii)Others	25.50	7.04	**27.60%**	42.76	3.19	**7.46%**
Total of Industry (i+ii+iii)	**547.52**	**59.95**	**10.95%**	**638.71**	**21.72**	**3.40%**
3. Services						
i)Cloth Shop	5.42	1.32	**24.33%**	22.89	1.77	**7.73%**
ii)Others	13.04	4.46	**34.21%**	64.20	6.55	**10.20%**
Total of Services (i+ii)	**18.46**	**5.78**	**31.31%**	**87.09**	**8.32**	**9.55%**
4. Personal Loans						
i)Household expenses	227.60	15.01	**6.60%**	314.21	5.52	**1.76%**
ii)Education-School/College	96.10	5.36	**5.57%**	67.09	1.07	**1.59%**
iii)Consumer Durables	32.07	2.31	**7.20%**	36.13	0.69	**1.91%**
iv)Others	205.16	7.77	**3.79%**	205.29	10.80	**5.26%**
Total of Industry (i+ii+iii+iv)	**560.93**	**30.45**	**5.43%**	**622.72**	**18.08**	**2.90%**
Total (1+2+3+4+5)	**1,882.25**	**155.60**	**8.27%**	**2,300.42**	**65.23**	**2.84%**



Dvara Kshetriya Gramin Financial Services Private Limited

Notes to the financial statements for the the year ended March 31, 2025

(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

72A Disclosures under Appendix III-D of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24)

Type of Restructuring		Other than CDR and SME Debt Restructuring					Total				
Asset Classification details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Restructured assets as on April 01, 2024	No.of borrowers	4.00	15.00	1.00	-	20.00	4.00	15.00	1.00	-	20.00
	Amount Outstanding	0.09	0.64	0.16	-	0.89	0.09	0.64	0.16	-	0.89
	Provision there on	0.00	0.53	0.01	-	0.55	0.00	0.53	0.01	-	0.55
Fresh restructuring during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
Upgradations to restructured standard category during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
Downgradation of restructured accounts during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
Write off / repaid restructured accounts during the year	No.of borrowers	(4.00)	(15.00)	(1.00)	-	(20.00)	(4.00)	(15.00)	(1.00)	-	-20.00
	Amount Outstanding/Amount repaid	(0.09)	(0.64)	(0.16)	-	(0.89)	(0.09)	(0.64)	(0.16)	-	-0.89
	Provision there on/reversed there on	(0.00)	(0.53)	(0.01)	-	(0.55)	(0.00)	(0.53)	(0.01)	-	-0.55
Restructured accounts as on March 31, 2025	No.of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-

72B Disclosure under clause 28 of the Listing Agreement for Debt Securities

Particulars	As at March 31, 2025	As at March 31, 2024
a) Loans and advances in the nature of loans to subsidiaries	-	-
b) Loans and advances in the nature of loans to associates	-	-
c) Loans and advances in the nature of loans where there is		
(i) no repayment schedule or repayment beyond seven years	-	-
(ii) no interest or interest below section 186 of Companies Act	-	-
d) Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-

73 Disclosure under clause 16 of the Listing Agreement for Debt Securities

The listed debentures are secured by way of a specific charge on loan assets (Also refer Note 14 to the financial statements).

74 Disclosure of Comparison of provision as per IRAC norms and ECL pursuant to RBI circular, vide DNBS.PD.CC.No.109/22.10.106/2019-20 dated March 13, 2020 for the year ended March 31, 2025

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,67,308.55	1,398.93	1,65,909.62	669.23	729.70
	Stage 2	5,356.53	304.03	5,052.50	21.43	282.60
Sub total		**1,72,665.08**	**1,702.96**	**1,70,962.12**	**690.66**	**1,012.30**
Non Performing Assets (NPA)						
Sub-standard	Stage 3	15,408.35	8,595.31	6,813.04	3,851.38	4,743.93
Doubtful < 1 year	Stage 3	60.37	132.26	-71.90	57.71	74.55
1 - 3 years	Stage 3	2.56	1.48	1.08	1.84	(0.36)
>3 years	Stage 3	88.48	51.02	37.47	88.48	(37.46)
Loss Assets	Stage 3	-	-	-	-	-
Subtotal		**15,559.76**	**8,780.07**	**6,779.69**	**3,999.41**	**4,780.66**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
Total	Stage 1	1,67,308.55	1,398.93	1,65,909.62	669.23	729.70
	Stage 2	5,356.53	304.03	5,052.50	21.43	282.60
	Stage 3	15,559.76	8,780.07	6,779.69	3,999.41	4,780.66
Total		**1,88,224.84**	**10,483.03**	**1,77,741.81**	**4,690.07**	**5,792.96**

In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning as at March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.)

Disclosure of Comparison of provision as per IRAC norms and ECL pursuant to RBI circular, vide DNBS.PD.CC.No.109/22.10.106/2019-20 dated March 13, 2020 for the year ended March 31, 2024

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,76,619.62	1,398.93	1,75,220.69	713.19	685.74
	Stage 2	1,834.29	303.97	1,530.32	7.43	296.54
Sub total		**1,78,453.91**	**1,702.89**	**1,76,751.01**	**720.62**	**982.27**
Non Performing Assets (NPA)						
Sub-standard	Stage 3	5,081.31	2,994.79	2,086.52	1,270.33	1,724.46
Doubtful < 1 year	Stage 3	157.57	94.20	63.37	157.57	(63.37)
1 - 3 years	Stage 3	222.52	110.54	111.98	222.52	(111.98)
>3 years	Stage 3	67.14	40.53	26.61	67.14	(26.61)
Loss Assets	Stage 3	-	-	-	-	-
Subtotal		**5,528.55**	**3,240.06**	**2,288.49**	**1,717.57**	**1,522.49**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
Total	Stage 1	1,76,619.62	1,398.93	1,75,220.69	713.19	685.74
	Stage 2	1,834.29	303.97	1,530.32	7.43	296.54
	Stage 3	5,528.55	3,240.06	2,288.49	1,717.57	1,522.49
Total		**1,83,982.46**	**4,942.95**	**1,79,039.50**	**2,438.19**	**2,504.77**

75 i) Disclosure as per formal prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 dt August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 in respect of Resolution Framework I and Resolution Framework II, respectively, for Covid Related stress.

INR in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	20.13	3.65	6.14	9.86	4.13
Corporate persons*	-				
Of which MSMEs	-				
Others					
Total	**20.13**	**3.65**	**6.14**	**9.86**	**4.13**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

76 **Business acquisition - Business Transfer Agreement with Saija Finance Private Limited**

The Company owned a 25.9% stake in the Equity of Saija Finance Private Limited (Saija) on January 01, 2023 at a cost of INR 757 lakhs. Subsequently, the company entered into a Business Transfer Agreement with Saija to acquire all the Assets, Liabilities, Employees, Branch Network and all the Contractual rights and Obligations of Saija as envisaged in the Business Transfer Agreement dated December 30, 2022, which had come into effect from January 01, 2023 (BTA Date).

Subsequently, the company also entered into a Share Purchase Agreement dated February 01, 2023 with the other Shareholders of Saija to acquire the entire shareholding of Saija.

a. Accordingly, during the quarter ended December 31, 2023, the company acquired 78,70,000 equity shares of erstwhile Saija Promoters.

b. The purchase of the shares of other investors of Saija is yet to be concluded.

76 Business acquisition - Business Transfer Agreement with Saija Finance Private Limited (continued)

The company had made an interim allocation of the purchase price and has accounted for INR 1,119.95 Lakhs of intangible assets while accounting for the various assets and liabilities taken over as on the BTA date. Pursuant to the completion of the measurement period of 1 year given in IND AS 103, the company has completed the accounting for the BTA, by recognising additional intangible assets (branch network) of INR 1,101.04 Lakhs and goodwill of INR 18.24 Lakhs as per the external valuation report obtained for this purpose. Amortisation of intangible assets w.e.f., BTA date has also been accounted for and previous quarter figures have been restated wherever necessary to give effect to the above accounting.

The Company has arrived at the total consideration paid by it for the acquisition of Saija's Assets and Liabilities as below and has also recognised a Goodwill of INR 18.24 lakhs on account of the excess consideration paid over the value of the Branch Network acquired by

Particulars	Amount (in INR Lakhs)
Branch Distribution network Intangibles	2,221.00
Goodwill	18.24
Total Intangibles created by virtue of BTA	**2,239.24**
Consideration Paid to Saija Promoter	336.88
Investment in Equity and Preference Share Capital of Saija	782.41
Net Liabilities Acquired from Saija	1,119.95
Total Purchase Consideration of Saija Acquisition	**2,239.24**

The Financial Year 2022-23 has been restated by virtue of completion of accounting of BTA transaction

Particulars	Customer Contract	Investment in Equity and Preference Share Capital of Saija	Branch Distribution network Intangibles	Goodwill
Gross value of assets as at December 31, 2022 (before BTA)	260.63	756.94	-	-
Amortization as at December 31, 2022	(26.28)	-	-	-
Net value as at December 31, 2022	**234.36**	**756.94**	-	-
BTA Adjustments				
Additional consideration paid	127.99	-	-	-
Net Liabilities taken over from Saija pursuant to BTA	-	-	1,119.95	-
Re-classification from customer contracts to investment	(25.47)	25.47	-	-
Opening balance of net block as at January 01 - Provisional accounting of BTA entries	**336.88**	**782.41**	**1,119.95**	-
Recognition of Branch Distribution network post valuation report	(336.88)	(782.41)	1,119.29	-
Goodwill recognised restricting branch network to 22.21 crores as per valuation report	-	-	(18.24)	18.24
Amortization during Jan to March 23	-	-	(87.30)	-
Net block as at March 31,2023 (restated)	-	-	**2,133.70**	**18.24**
Net block as at March 31,2023 (original)	**330.28**	**756.94**	**1,064.72**	-

77 Audit Log

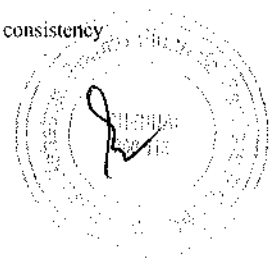
The Company maintains its books of account using accounting software that includes an audit trail (edit log) feature capable of capturing each transaction and any changes made to such transactions. This feature was enabled and operated throughout the financial year at the application level for all transactions recorded in the accounting software. The audit trail (edit log feature) has not been tampered with during the year.

For the audit trail at the database level:

(i) The audit trail functionality is currently under development for the Loan Origination System (LOS) and Loan Management System (LMS) and Finezy (payment processing application) and ;

(ii) The audit trail feature was enabled in the Human Resource Management System (HRMS) from April 26, 2025.

The Company is in the process of implementing the audit trail functionality at the database level across all systems to ensure consistency and completeness.



78 Other statutory disclosures

a) The borrowings from banks and financial institutions have been used for the purposes for which it was taken as at the balance date.

b) The Company does not have any Benami property where any proceeding has been initiated or pending against the company to holding any Benami property.

c) The Company has verified for transactions with Struck-off companies by comparing Company's counter parties with publicly available database of struck of companies through a manual name search. Based on such a manual search, no party identified to be reported in the financial statements.

d) The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign (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.

g) The Company has not received any fund from any person(s) or entity (ies). including foreign entities (Funding Party) with to understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any of relevant provisions of the Income Tax Act, 1961

79 Previous period's figures have been regrouped / reclassified wherever necessary, to confirm with the current period presentation.

As per our report of even date
for Sharp & Tannan
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 26, 2025

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Bindu Ananth
Director & Chairman
DIN: 02456029
Place : Bengaluru

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Shilpa Bhatter
Chief Financial Officer
Place : Chennai

Rajalakshmi S
Company Secretary
Membership No. A56123
Place : Chennai

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SHARP & TANNAN
chartered accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Dvara Kshetriya Gramin Financial Services Private Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Dvara Kshetriya Gramin Financial Services Private Limited (the 'Company'), which comprise the standalone balance sheet as at 31 March 2026, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows, and the standalone statement of changes in equity for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS' or 'the Rules'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs or 'Standards') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current financial year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, 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.

SRT

Key audit matters	How the matter was addressed in our audit
Impairment of loans to customers – expected credit loss and write-off Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. As at 31 March 2026, the Company has total gross loan assets of Rs. 1,80,094 lakhs against which an impairment loss of Rs. 5,063 lakhs has been recorded. The determination of impairment losses on loans is complex and is based on the application of significant management judgements, estimates and the use of different modelling techniques and assumptions, which have a material impact on reported profits. The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans. The key areas where we identified greater levels of management judgement are: 1. Segmentation of loans, staging of loans and determining the criteria for a significant increase in credit risk. 2. Model estimations – determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD") 3. Determining macro-economic factors impacting credit quality of receivables The Company has recognized technical write-offs amounting to Rs. 2,475 lakhs for the year ended 31 March 2026 against which the Company carried a provision for ECL of Rs. 1,486 lakhs. ECL (including write-off) involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans. In view of such a high degree of Management's judgement involved in estimation of impairment of loan assets, it is a key audit matter.	**Our key audit procedures included:** 1. Review of the Company's accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework/policies approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time. 2. Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation to evaluate the reasonableness of the estimates. 3. Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Evaluated the controls over the modelling process, validation of data and related approvals. 4. Involved auditor's experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking and macro-economic factors. For annual review changes in ECL model, evaluated the basis of such change including the reasonableness and appropriateness of the same. 5. Assessed the criteria for staging loans based on their past-due status. Test-checked the computation of ECL, including assumptions and underlying arithmetical calculations. 6. Verified the arithmetical accuracy of the amounts of write-off of loans based on the ageing criteria approved by the Board of Directors. 7. Reviewed the appropriateness of disclosures made in the standalone financial statements as per the requirements of Ind AS.

S&T

Key audit matters	How the matter was addressed in our audit
Financial assets measured at fair value through other comprehensive income (FVTOCI) As at 31 March 2026, the Company has loans that are carried and measured at fair value through other comprehensive income (FVOCI) in accordance with Ind AS 109. The fair value of the loan assets measured at FVTOCI as at 31 March 2026 is Rs. 30,697 lakhs (31 March 2025: Rs. 50,654 lakhs) The classification of loans at FVTOCI is dependent on the business model assessment of the Company whereby the management has determined that the aforesaid loans are designated to collect contractual cash flows and also to sell such financial assets. The fair value arrived by the management's valuation expert is derived using discounted cashflow models wherein the key assumptions include expected future cashflows, expected loss/default, expected costs and fees and discount rate. Given the business model assessment, the estimates involved in selecting the valuation basis, relative significance of these loans to the standalone financial statements and the nature and extent of procedures involved, we determined this to be a key audit matter.	**Our key audit procedures included:** 1. Reviewed that the 'Business Model Assessment Policy is approved by the Board of Directors of the Company 2. Evaluated the criteria adopted by the management in the identification of the loan portfolio and reviewed the inputs used by the management in fair valuation. 3. Assessed the design and tested the operating effectiveness of internal controls over classification of loans on the basis of management's intent and management's key internal controls over inputs used in the valuation model. 4. Assessed the reasonableness of the valuation methodology and underlying assumptions used by the management to estimate the fair value. Verified the arithmetical accuracy of the workings. 5. Reviewed the appropriateness of disclosures made in the standalone financial statements as per the requirements of Ind AS.

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the directors' report and the annexures thereto, but does not include the standalone financial statements and our report thereon. The other information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

S&T

Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors and the management are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards ('Ind AS') and the other accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal 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 with reference to standalone 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 the management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and,

- evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

1) As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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

   (a) we have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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(c) the standalone balance sheet, the standalone statement of profit and loss, the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS notified 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

(g) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.

(h) 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), the provisions of section 197 read with Schedule V of the Act are not applicable to the Company; and,

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

i. the Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there 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 (which are material either aggregate or individually), as disclosed in Note 82(f) to the standalone financial statements, 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 to 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;

S&T

(b) the management has represented, that, to the best of its knowledge and belief, (which are material either aggregate or individually), as disclosed in Note 82(g) to the standalone financial statements, 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 to 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; and

(c) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided by the management under sub-clause (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid dividend during the year.

vi. Based on our examination which included test checks except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2025, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software other than the consequential impact of exceptions given below:

(a) the audit trail functionality for the Loan Origination System (LOS) and payment processing application was not enabled during the year;

(b) the audit trail feature for the Loan Management System (LMS) was enabled from 16 December 2025.

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

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar

P Rajesh Kumar
Partner
Membership No. 225366
UDIN: 26225366GGTUXS9821

Place: Chennai
Date: 13 May 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dvara Kshetriya Gramin Financial Services Private Limited of even date)

(i) (a) A. According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and the situation of its property, plant, and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of its intangible assets.

(b) According to the information and explanations given to us, the Management of the Company has physically verified the property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). In respect of immovable properties taken on lease by the Company and disclosed as leasehold improvements under property, plant & equipment and right of use assets in the standalone financial statements, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its property, plant, and equipment (including right of use assets) or intangible assets during the year. Hence, reporting under paragraph 3 (i)(d) of the Order does not arise.

(e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property, if any, under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988), as amended and Rules made thereunder. Hence, reporting under paragraph 3 (i)(e) of the Order does not arise.

(ii) (a) The Company is a non-banking finance company and does not carry any inventory in the books of account. Hence reporting under paragraph 3(ii)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and the records examined by us, the Company has been sanctioned working capital limits in excess of five crores, in aggregate, from banks during the year on the basis of security of current assets, and as disclosed in foot note (b) of Note 15 to the standalone financial statements, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company. Further, the Company has not been sanctioned working capital limits from financial institutions during the year based on security of current assets.

(iii) According to the information and explanations given to us, the Company has made an investment in a company during the year. The Company has not stood any guarantee or provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms and Limited Liability Partnerships during the year.

According to the information and the explanation given to us, and the records of the Company examined by us, the company has granted loans to its customers during the year, in respect of which:

(a) Reporting under paragraph 3(iii)(a) of the Order does not arise as it is not applicable to non-banking finance companies.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, in our opinion, the terms and conditions of all loans granted by the company and investment made by the company during the year are, *prima facie*, not prejudicial to the company's interest.

(c) According to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The repayments of principal and payments of interest are regular except for those disclosed in Note 74 to the standalone financial statements. Considering that the Company is engaged in the business of lending and the volume of transactions involved, it is not practicable to furnish party-wise details where repayments of principal and payments of interest are not regular.

(d) The total amount overdue for more than ninety days as at the balance sheet date is disclosed as Stage 3 in Note 74 to the standalone financial statements. Based on our audit procedures and the information and explanations given to us, reasonable steps have been taken by the company for recovery of the principal and interest.

(e) Reporting under paragraph 3(iii)(e) of the Order does not arise as it is not applicable to non-banking finance companies.

(f) The company has not granted any loans or advances in the nature of loans during the year, either repayable on demand or without specifying any terms or period of repayment to promoters, related parties as defined in clause (76) of section 2 of the Act. Hence reporting under paragraph 3(iii)(f) of the Order does not arise.

(iv) According to the information and explanations given to us, the Company has not advanced any loans, given any guarantee, or provided any security to the parties covered under Section 185 of the Act. In respect of the investment made by the Company, applicable provisions of section 186 of the Companies Act have been complied with. Section 186 shall not apply to any loan made by a non-banking finance company in the ordinary course of its business. Accordingly, further reporting under paragraph 3(iv) of the Order does not arise.

(v) The provisions of sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 made thereunder are not applicable to non-banking finance companies. Further, according to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard. Hence, reporting under paragraph 3 (v) of the Order does not arise.

(vi) The Central Government has not specified maintenance of cost records under section 148(1) of the Act read together with Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company. Hence, reporting under paragraph 3 (vi) of the Order does not arise.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, professional tax, cess and other material statutory dues applicable to the Company, if any, with the appropriate authorities except labour welfare fund.

According to the information and explanations given to us and the records of the Company examined by us, there were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, professional tax, cess and other material statutory dues, if any, outstanding as at 31 March 2026 for a period of more than six months from the date they became payable, except for the labour welfare fund listed below. Sales tax, service tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period which amount relates to	Due Date	Date of payment
Haryana -Labour Welfare Fund	Labour Welfare Fund	0.86	FY 2025-26	Various	Not yet paid
Punjab - Labour Welfare Fund	Labour Welfare Fund	0.17	FY 2025-26	Various	

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of service tax as at 31 March 2026 which have not been deposited with statutory authorities on account of a dispute pending are as follows:

Name of the statute	Period to which the amount relates	Forum where disputes are pending	Amount involved (Rs. in lakhs)	Amount disputed and not paid (Rs. in lakhs)
Finance Act 1994 – Service Tax	April 2010 to April 2015	Customs, Excise & Service Tax Appellate Tribunal	66.29	63.61

According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, professional tax, labour welfare fund, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, if any, as at 31 March 2026 which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not surrendered or disclosed any transaction not recorded in the books of account, if any, as income in the tax assessments under Income Tax Act, 1961 (43 of 1961) during the year. Hence, reporting under paragraph 3 (viii) of the Order does not arise.

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(ix) (a) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders during the year. Hence, reporting under paragraph 3 (ix)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(c) In our opinion and according to the information and explanations given to us, on an overall basis, the Company has applied the term loans for the purposes for which they were obtained other than funds temporarily placed in bank fixed deposits, pending utilization of funds as per respective sanction terms.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, the funds raised on a short-term basis have not been used for long-term purposes by the company.

(e) According to the information and explanations given to us and the records of the Company examined by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its associate/subsidiary. The Company does not have any joint venture. Hence, reporting under paragraph 3 (ix)(e) of the Order does not arise.

(f) According to the information and explanations given to us and the records of the Company examined by us, the company has not raised loans during the year on the pledge of securities held in its associate/subsidiary company. The Company does not have any joint venture. Hence, reporting under paragraph 3 (ix)(f) of the Order does not arise.

(x) (a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under paragraph 3(x)(a) of the Order does not arise.

(b) During the year, the Company has made a private placement of Compulsorily Convertible Preference Shares (CCPS). In our opinion and according to the information and explanations given to us and based on the records examined by us, the Company has complied with the requirements of Sections 42 and 62 of the Companies Act, 2013 in respect of such allotment. The Company has not made any preferential allotment of shares or convertible debentures (fully, partially or optionally convertible) during the year.

According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, the funds raised through the said issue have been utilized for the purposes for which they were raised.

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(xi) (a) To the best of our knowledge and during the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year, except for the instances identified by the management, as stated under Note 50 to the standalone financial statements.

(b) According to the information and explanations given to us, and based on our audit procedures, no report under section 143(12) of the Act has been filed by the auditors during the year in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Hence, reporting under paragraph 3(xii) of the Order does not arise.

(xiii) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

(xv) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year, and hence provisions of section 192 of the Act are not applicable to the company. Hence, reporting under paragraph 3(xv) of the Order does not arise.

(xvi) (a) The company is a non-banking finance company and is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the Company.

(b) According to the information and explanations given to us, the Company has not conducted any non-banking finance activities during the year without a valid Certificate of Registration (COR) from the Reserve Bank of India.

(c) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is not a Core Investment Company as defined in the Regulations made by the Reserve Bank of India. Hence, reporting under paragraph 3(xvi)(c) of the Order does not arise.

(d) As represented to us by the management, there are no Core Investment Companies as defined in the regulations made by the RBI in the Group.

S&T

(xvii) The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order does not arise.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of the 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 as the information provided being futuristic in nature has been verified only to the extent of information and explanations given to us. We further state that our reporting is based on the facts up to the date of the audit report and we neither provide any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, and based on our audit procedures, in respect to other than ongoing projects, the Company is not required to transfer any amount to a Fund specified in Schedule VII of the Act. Hence, reporting under paragraph 3(xx)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and based on our audit procedures, in respect of ongoing projects, the Company is not required to transfer any amount to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. Hence, reporting under paragraph 3(xx)(b) of the Order does not arise.

(xxi) The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar

P Rajesh Kumar
Partner
Membership No. 225366
UDIN: 26225366GGTUXS9821

Place: Chennai
Date: 13 May 2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dvara Kshetriya Gramin Financial Services Private Limited of even date)

Report on the internal financial controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to standalone financial statements of Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

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Meaning of internal financial controls with reference to standalone financial statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar

P Rajesh Kumar
Partner
Membership No. 225366
UDIN: 26225366GGTUXS9821

Place: Chennai
Date: 13 May 2026

Dvara Kshetriya Gramin Financial Services Private Limited
Standalone Balance Sheet as at March 31, 2026
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	15,120.83	27,169.67
Bank balance other than cash and cash equivalents	5	9,513.70	9,235.52
Derivative financial instruments	12	7,856.71	674.75
Receivables	6	174.59	278.22
Loans	7	175,031.62	177,741.81
Investments	8	11,382.54	1,963.02
Other financial assets	9	1,542.05	1,695.06
		220,622.04	**218,758.05**
Non-financial assets			
Current tax assets (net)	32	872.99	805.40
Deferred tax assets (net)	32	2,070.23	1,598.65
Property, plant and equipment	10	605.13	731.85
Intangible asset under development	10C	162.48	83.19
Goodwill	10A	227.88	227.88
Other intangible assets	10A	1,048.72	1,527.44
Right of use assets	10B	698.87	1,127.36
Other non-financial assets	11	1,648.91	1,153.19
		7,335.21	**7,254.96**
Total Assets		**227,957.25**	**226,013.01**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	13		
(i) dues of micro enterprises and small enterprises		-	5.55
(ii) dues other than micro enterprises and small enterprises		481.25	417.43
Debt securities	14	58,550.10	58,469.24
Borrowings (other than debt securities)	15	104,565.44	102,755.21
Subordinated liabilities	15a	19,466.80	13,716.78
Other financial liabilities	16	4,973.22	7,303.60
		188,036.81	**182,667.81**
Non-financial liabilities			
Provisions	17	816.38	421.50
Other non-financial liabilities	18	327.75	508.74
		1,144.13	**930.24**
EQUITY			
Equity share capital	19	11,666.48	11,666.48
Other equity	20	27,109.83	30,748.48
		38,776.31	**42,414.96**
Total Liabilities and Equity		**227,957.25**	**226,013.01**
Material accounting policies	2 & 3		

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date
for **Sharp & Tannan**
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 13, 2026

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PLC024547

Samir Amrit Shah
Director & Chairman
DIN: 00912693
Place : Chennai

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Abhik Sarkar
Chief Financial Officer
Place : Chennai
Date : May 13, 2026

Aravinthan B
Company Secretary
Membership No. A76929
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited
Standalone Statement of Profit and Loss for the the year ended March 31, 2026
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations			
Interest income	21	46,954.12	50,277.32
Fees and commission income	22	1,071.11	1,847.17
Net gain/(loss) on fair value changes	23	280.96	449.33
Net gain on derecognition of financial instruments	24	1,851.78	5,297.14
Total revenue from operations		**50,157.97**	**57,870.96**
Other income	25	201.70	80.14
Total income (A)		**50,359.67**	**57,951.10**
Expenses			
Finance costs	26	23,369.30	26,204.40
Fees and commission expense	27	399.32	558.72
Impairment on financial instruments	28	10,326.82	15,347.29
Employee benefits expenses	29	14,595.17	11,575.17
Depreciation and amortization expenses	30	1,038.78	1,194.89
Other expenses	31	4,679.62	3,230.21
Total expenses (B)		**54,409.01**	**58,110.68**
Profit before tax ((C) = (A) - (B))		**(4,049.34)**	**(159.58)**
Tax expense:	32		
Current tax		98.18	1,042.80
Deferred tax		(463.55)	(1,199.31)
Tax credit for earlier year		-	(121.38)
Total tax expense (D)		**(365.37)**	**(277.89)**
Profit after tax for the year ((E) = (C) - (D)		**(3,683.97)**	**118.31**
Other comprehensive income / (loss)			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		66.42	143.97
(ii) Income tax impact thereon		(16.72)	(41.92)
B (i) Items that will be reclassified to profit or loss			
- Net gain/ (loss) on effective portion of cash flow hedges (net)		1,303.86	160.19
- Net gain/ (loss) on financial instruments through OCI (net)		(1,402.19)	4,649.00
(ii) Income tax impact thereon		24.75	(1,400.44)
Total other comprehensive income/(loss) for the year (F)		**(23.87)**	**3,510.80**
Total comprehensive income for the year		**(3,707.84)**	**3,629.11**
Earnings per equity share (face value Rs.100 each)			
- Basic (in Rs.)	33	(31.58)	1.01
- Diluted (in Rs.)	33	(31.58)	1.01

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date
for **Sharp & Tannan**
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 13, 2026

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Samir Amrit Shah
Director & Chairman
DIN: 00912693
Place : Chennai

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Abhik Sarkar
Chief Financial Officer
Place : Chennai
Date : May 13, 2026

Aravinthan B
Company Secretary
Membership No. A76929
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited
Standalone Statement of cash flows for the year ended March 31, 2026
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	As at March 31, 2026	As at March 31, 2025
A. Cash flow from operating activities		
Loss before tax	(4,049.34)	(159.58)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortization	1,038.78	1,283.10
Impairment on financial instruments (net)	10,378.51	16,083.71
Finance costs	23,369.30	26,204.40
Provision for employee stock option plan	69.19	25.43
Interest on deposits with banks	(685.90)	(939.55)
Interest income on loans	(46,171.41)	(50,085.52)
Net gain on derecognition of financial instruments	(1,851.78)	(5,297.14)
Interest on Investments	(79.66)	(862.54)
Net gain / (loss) on derecognition of other assets/ liabilities	(96.84)	2.44
Gain on sale of investments	(338.24)	(449.33)
Operating profit before working capital changes	**(18,417.40)**	**(14,194.58)**
Changes in working capital and other changes:		
Decrease/(Increase) in trade receivables	103.63	70.65
Decrease/(Increase) in other bank balances	(590.83)	3,376.25
Decrease/(Increase) in loans	(8,925.22)	(2,735.16)
Decrease/ (Increase) in other financial assets	153.01	(675.16)
Decrease/ (Increase) in other non financial assets	(495.72)	(56.89)
Increase/(Decrease) in trade payables, other liabilities and provisions and derivative financial instruments	(8,646.16)	(540.18)
Cash flow from operating activities post working capital changes	**(36,818.69)**	**(14,755.07)**
Interest income on loans	49,594.56	48,683.02
Finance cost paid	(23,395.05)	(26,888.93)
Cash flow used in operating activities	**(10,619.17)**	**7,039.02**
Income tax paid (net)	(67.59)	(399.16)
Net cash flow used in operating activities	**(10,686.76)**	**6,639.86**
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	6.40	3.01
Purchase of property, plant and equipment	(441.20)	(592.38)
Increase of intangible asset under development	(79.29)	(24.14)
Purchase of other intangible assets	(35.96)	(180.01)
Purchase of investments	(90,827.47)	(1,875.93)
Proceeds from sale of Investments	93,047.07	442.24
Investment in Security Receipts	(11,496.07)	-
Redemption of Security Receipts	210.87	-
Interest received on Investments	94.18	848.03
Interest received on deposits with banks	998.55	1,002.28
Net cash flow from investing activities	**(8,522.92)**	**(376.90)**
C. Cash flow from financing activities		
Repayment of debt securities	80.87	17,766.41
Proceeds/(Repayment) from borrowings (other than debt securities)	1,835.98	(27,551.88)
Proceeds from issue of Subordinated liabilities	3,122.04	6,232.79
Proceeds from issue of Compulsorily Convertible Preference Shares	2,627.98	-
Payment of lease liabilities	(506.02)	(492.15)
Net cash flow from financing activities	**7,160.84**	**(4,044.83)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(12,048.84)**	**2,218.13**
Cash and cash equivalents at the beginning of the year	27,169.67	24,951.54
Cash and cash equivalents at the end of the year	**15,120.83**	**27,169.67**



Notes:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

b) Components of cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cheques on hand	86.28	258.63
Balances with banks		
-In current accounts	12,966.29	16,274.45
-In deposit accounts with original maturity less than three months	2,068.26	10,636.58
	15,120.83	**27,169.67**

c) Reconciliation of liabilities from financing activities

Particulars	Debt Securities	Borrowings (Other than Debt Securities)	Subordinated Liabilities (Including CCPS)	Lease Liabilities
As at March 31, 2024	**40,991.88**	**1,30,579.80**	**7,786.15**	**1,260.89**
Cash flows	17,766.41	(27,551.88)	6,232.79	(492.15)
Non-cash changes, Fair value changes / lease liabilities during the year	(289.05)	(272.71)	(302.16)	624.82
As at March 31, 2025	**58,469.24**	**1,02,755.21**	**13,716.78**	**1,393.57**
Cash flows	80.87	1,835.98	5,750.02	(506.02)
Non-cash changes, Fair value changes / lease liabilities during the year	-	(25.75)	-	63.76
As at March 31, 2026	**58,550.10**	**1,04,565.44**	**19,466.80**	**951.30**

As per our report of even date
for **Sharp & Tannan**
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 13, 2026

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Samir Amrit Shah
Director & Chairman
DIN: 00912693
Place : Chennai

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Abhik Sarkar
Chief Financial Officer
Place : Chennai
Date : May 13, 2026

Aravinthan B
Company Secretary
Membership No. A76929
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited

Standalone Statement of changes in equity for the the year ended March 31, 2026

(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

A Equity share capital

Particulars	Number of shares	Amount
Balance as at April 1, 2024	**10,887,144**	**10,887.14**
Add: Shares issued during the year	779,333	779.33
Balance as at March 31, 2025	**11,666,477**	**11,666.48**
Balance as at April 1, 2025	**11,666,477**	**11,666.48**
Add: Shares issued during the year	-	-
Balance as at March 31,2026	**11,666,477**	**11,666.48**

B Other equity

	Reserves and Surplus						Other Comprehensive Income			
	Statutory Reserves	Securities Premium	Capital Reserve	Retained Earnings	Employee stock option outstanding	General Reserve	Defined Benefit Obligations	Cash Flow Hedge Reserve	Fair Valuation Reserve	Total
Balance as at April 1, 2024	**2,496.78**	**35,504.84**	**1,329.46**	**(14,558.67)**	**206.70**	**166.71**	**-**	**(857.49)**	**-**	**24,288.33**
Share based expenses	-	-	-	-	25.43	-	-	-	-	25.43
Profit for the year	-	-	-	118.31	-	-	-	-	-	118.31
Transfer from retained earnings/ to statutory reserve	23.66	-	-	(23.66)	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	102.05	113.55	3,295.21	3,510.81
Transferred from OCI/ to retained earnings	-	-	-	102.05	-	-	-102.05	-	-	(0.00)
On issue of compulsorily convertible preference shares	-	2,805.60	-	-	-	-	-	-	-	2,805.60
On account of employee stock options lapsed	-	-	-	-	(6.41)	6.41	-	-	-	-
Balance as at March 31, 2025	**2,520.44**	**38,310.44**	**1,329.46**	**(14,361.97)**	**225.72**	**173.12**	**-**	**(743.94)**	**3,295.21**	**30,748.48**
Balance as at April 1, 2025	**2,520.44**	**38,310.44**	**1,329.46**	**(14,361.97)**	**225.72**	**173.12**	**-**	**(743.94)**	**3,295.21**	**30,748.48**
Share based expenses	-	-	-	-	69.19	-	-	-	-	69.19
Profit for the year	-	-	-	(3,683.97)	-	-	-	-	-	(3,683.97)
Other comprehensive income (net of tax)	-	-	-	-	-	-	49.70	975.68	(1,049.25)	(23.87)
Transferred from OCI/ to retained earnings	-	-	-	49.70	-	-	(49.70)	-	-	0.00
On account of employee stock options lapsed	-	-	-	-	(7.69)	7.69	-	-	-	-
Balance as at March 31,2026	**2,520.44**	**38,310.44**	**1,329.46**	**(17,996.24)**	**287.22**	**180.81**	**-**	**231.74**	**2,245.96**	**27,109.83**

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

for Sharp & Tannan
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 13, 2026

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Samir Amrit Shah
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Abhik Sarkar
Chief Financial Officer
Place : Chennai
Date : May 13, 2026

Aravinthan B
Company Secretary
Membership No. A76929
Place : Chennai

Dvara Kshetriya Gramin Financial Services Private Limited
Notes to the standalone financial statements for the the year ended March 31, 2026
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

1 Reporting Entity

Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") was incorporated on March 4, 1993 under the provisions of the Companies Act, 1956 (as amended). The Company is registered with the Reserve Bank of India ("RBI") as a Non-Banking Financial Company ("NBFC") under Section 45-IA of the Reserve Bank of India Act, 1934 and is classified as a Middle Layer NBFC, not accepting public deposits, in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time. The Company has received the Certificate of Registration dated August 8, 2013, from the RBI to carry on the business.

The Company is primarily engaged in the business of providing loans and advances. It also acts as a business correspondent/ partner for banks, insurance companies, and other financial institutions in the distribution of financial products and services, particularly in rural and semi-urban areas. The Company's operations are aligned with its objective of enhancing financial access and supporting the financial well-being of individuals and enterprises in underserved rural markets.

The Non-Convertible Debentures ("NCDs") issued by the Company are listed on BSE Limited, and accordingly, the Company complies with the applicable provisions of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable to listed debt securities.

2 Basis of preparation

2.1 Statement of compliance

These standalone standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 ("the Act"), read with other relevant provisions of the Act.

These standalone financial statements have also been prepared in compliance with the applicable directions and guidelines issued by the Reserve Bank of India ("RBI") for Non-Banking Financial Companies, including the Reserve Bank of India (Non-Banking Financial Companies – financial statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.

The standalone financial statements have been prepared on a going concern basis under the historical cost convention, except for certain financial instruments and other items which are measured at fair value at the end of each reporting period in accordance with the relevant Ind AS.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted, or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the company's material accounting policies are disclosed in note 3.

2.2 Presentation of standalone financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity have been prepared and presented in accordance with the format prescribed under Division III of Schedule III to the Companies Act, 2013, as amended from time to time, as applicable to Non-Banking Financial Companies ("NBFCs") complying with Ind AS. The Statement of Cash Flows has been prepared in accordance with Ind AS 7 – Statement of Cash Flows.

The Company presents its Balance Sheet in order of liquidity. An analysis of assets and liabilities into current and non-current is presented separately in the notes to the standalone financial statements.

Financial assets and financial liabilities are generally presented on a gross basis in the Balance Sheet. They are offset and presented net only when the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, up to two decimal places, unless otherwise indicated.

2.4 Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following items which are measured at fair value or amortised cost, as applicable:

Items	Measurement basis
Financial assets measured at amortised cost.	Amortised Cost.
Financial assets measured at fair value (including derivative instruments, if any)	Fair value.
Financial liabilities	Amortised cost / Fair value, as applicable
Liabilities for share-based payment arrangements	Fair value.
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

2.5 Use of estimates and judgements

The preparation of the Company's standalone standalone financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

In view of the inherent uncertainties and subjectivity involved, actual results may differ from these estimates. Revisions to accounting estimates are recognised prospectively. The key areas involving significant judgements and estimates are set out below:

a) Business model assessment; (refer note 3.03)
b) Impairment of financial assets (Expected Credit Loss) – involves estimation of future cash flows, credit risk and forward-looking assumptions; (refer note 3.04)
c) Effective interest rate ("EIR") method – requires estimation of expected life of financial instruments and identification of fees and costs integral to yield; (refer note 3.04)
d) Fair value of financial instruments; (refer note 3.05)
e) Recognition of income in assignment transactions, including estimation of excess interest spread. (refer note 3.01)
f) Measurement of defined benefit obligations: key actuarial assumptions; (refer note 3.09)
g) Estimated useful life of property, plant and equipment, right of use assets and intangible assets; (refer note 3.07 & 3.08)
h) Recognition and recoverability of deferred tax assets; (refer note 3.11)
i) Provisions and other contingent liabilities (refer note 3.16)

3 Material accounting policies

This note sets out the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been applied consistently to all periods presented, unless otherwise stated.

3.01 Revenue Recognition

The Company's revenue primarily comprises interest income on loans, fee and commission income, income from securitisation and assignment transactions and other operating income.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115 :

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

a) Interest income

Interest income for all financial instruments that are measured at amortised cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument. It includes any fees (such as processing fees) or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

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

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

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company recognises interest income by applying the effective interest rate to the carrying value of the financial asset. If the financial assets cure and are no longer credit impaired, the Company reverts to recognising interest income on a gross basis.

b) Fees and commission income

Fee and commission income that is integral to the effective interest rate is recognised as part of interest income in accordance with Ind AS 109 – Financial Instruments. Other fee and commission income is recognised in accordance with Ind AS 115 – Revenue from Contracts with Customers when the related performance obligation is satisfied.

Such income includes servicing fees on securitisation transactions and commission and brokerage income from the distribution of financial products. These are generally recognised at a point in time when the underlying service is rendered, or the transaction is completed, and it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.



3.01 Revenue Recognition (continued)

c) Net gain on fair value changes

Mutual fund investments of the company are classified as financial assets measured at fair value through profit or loss (FVTPL). Changes in fair value, including unrealised gains/losses, are recognised in the Statement of Profit and Loss under "Net gain on fair value changes." Realised gains/losses on redemption are also recognised on a net basis in the same line item.

d) Net gain on derecognition of financial instruments

Income arising from assignment of loan assets is recognised in accordance with Ind AS 109 based on derecognition of the underlying financial assets.

Where the Company retains the right to receive excess interest spread ("EIS"), the present value of expected future cash flows is recognised upfront as income upon derecognition of the financial assets, to the extent permitted under applicable accounting standards. Subsequent changes in expected cash flows are recognised in profit or loss.

e) Other interest income

Other interest income comprises interest income on salary loans and the unwinding of discount on security deposits recognised using the effective interest rate (EIR) method. Such income is recognised over the relevant period in accordance with the principles of the effective interest rate method prescribed under Ind AS.

f) Other income

The other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.02 Finance costs

Finance costs comprise interest expense on borrowings and other financial liabilities, including term loans, debt securities, subordinated liabilities, cash credit facilities, lease liabilities and other borrowings. Finance costs also include interest and other finance charges arising on securitisation, as well as the amortisation of ancillary costs incurred in connection with borrowings.

Interest expense is recognised using the effective interest rate ("EIR") method in accordance with Ind AS 109 – Financial Instruments. Under the EIR method, interest expense, together with directly attributable transaction costs, premiums, discounts and other ancillary borrowing costs, is allocated over the expected life of the financial liability by applying a constant periodic rate to its amortised cost.

Interest on lease liabilities is recognised in accordance with Ind AS 116 – Leases using the effective interest method.

Finance costs are recognised in the Statement of Profit and Loss in the period in which they are accrue.

3.03 Financial instrument - initial recognition and measurement

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

Financial assets primarily comprise loans and advances, investments in securities, trade and other receivables and cash and cash equivalents. Financial liabilities primarily comprise borrowings (including term loans, non-convertible debentures and subordinated debt) and trade payables.

A. Date of recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. For tradeable securities (including mutual fund units), the Company recognises the financial instrument on the settlement date. Debt securities issued by the Company are initially recognised on the date of origination.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

All recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of a financial asset or financial liability (other than financial assets and financial liabilities classified at Fair Value Through Profit or Loss ('FVTPL')) are added to or deducted from the fair value of the instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of a financial asset or financial liability classified at FVTPL are recognised immediately in the Statement of Profit and Loss.

The following exceptions apply to the general principle above:

- Investments in subsidiaries are recognised at cost as permitted under Ind AS 27 'Separate standalone financial statements' and are therefore outside the scope of Ind AS 109.
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115 'Revenue from Contracts with Customers') are initially measured at transaction price.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing those assets and the contractual cash flow characteristics of each asset into one of the following measurement categories:

i) Amortised cost
ii) Fair value through other comprehensive income ("FVOCI")
iii) Fair value through profit and loss ("FVTPL")

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

3.03 Financial instrument - initial recognition and measurement (continued)

The business model is not assessed on an instrument-by-instrument basis but at a higher level of aggregated portfolios, and is based on observable factors such as:

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

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

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

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

The Company monitors financial assets measured at amortised cost or FVOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business model for which the asset was held. Such monitoring forms part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and, if not, whether a prospective change in classification is required.

Solely Payments of Principal and Interest ('SPPI') Assessment

As a second step of its classification process, the Company assesses the contractual terms of a financial asset to identify whether they meet the SPPI test. 'Principal' for this purpose is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, and whether the instrument contains features such as prepayment options, extension clauses or leverage.

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

i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if, and only if, both of the following conditions are met:

a) the asset is held within a business model whose objective is to hold 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.

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method, less any allowance for expected credit losses. The EIR amortisation is included within interest income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss.

ii) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI if, and only if, both of the following conditions are met:

a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

Financial assets measured at FVOCI are measured at fair value at each reporting date. Fair value movements are recognised in Other Comprehensive Income ('OCI'). However, the Company recognises interest income (calculated using the EIR method), impairment losses and reversals, and foreign exchange gains or losses in the Statement of Profit and Loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

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

A financial asset that does not meet the criteria for classification at amortised cost or FVOCI is classified and measured at FVTPL. In addition, the Company may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets classified at FVTPL are measured at fair value at each reporting date, and all gains and losses (including interest income and dividend income) are recognised in the Statement of Profit and Loss.

D. Classification and Measurement of Financial Liabilities

i) Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial liability (other than financial liabilities classified at FVTPL) are deducted from the fair value of the financial liability on initial recognition.

ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included within finance costs in the Statement of Profit and Loss. Financial liabilities classified at FVTPL (including derivative liabilities not designated as hedging instruments) are subsequently measured at fair value, with all changes recognised in the Statement of Profit and Loss.



3.03 Financial instrument - initial recognition and measurement (continued)

E. Reclassification of Financial Assets and Liabilities

The Company reclassifies financial assets when, and only when, there is a change in the business model for managing those financial assets. Such changes are expected to be very infrequent, are determined by the those charged with governance as a result of external or internal changes that are significant to the Company's operations and must be demonstrable to external parties. The Company does not reclassify a financial asset simply because of a change in the market environment.

When a reclassification occurs, the classification and measurement requirements applicable to the new category are applied prospectively from the first day of the first reporting period following the change in business model. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities during the year ended March 31, 2026.

F. Derecognition of Financial Assets and Financial Liabilities

i) Derecognition of Financial Assets — Substantial Modification of Terms

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 in the Statement of Profit and Loss (to the extent that an impairment loss has not already been recorded). The newly recognised financial asset is classified as Stage 1 for Expected Credit Loss ('ECL') measurement purposes, unless the Company has information that indicates otherwise.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the present value of the change in cash flows discounted at the original EIR, the Company records a modification gain or loss in the Statement of Profit and Loss (to the extent that an impairment loss has not already been recorded). If such a modification is carried out because of financial difficulties of the borrower, the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the EIR method.

ii) Derecognition of Financial Assets — Other than Substantial Modification

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised when:

- the contractual rights to receive cash flows from the financial asset have expired; or
- the Company has transferred all the risks and rewards of ownership of the financial asset substantially, or the Company has neither transferred nor retained all the risks and rewards of ownership of the financial asset substantially, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (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.

When the Company has neither transferred nor retained substantially all the risks and rewards and has also not transferred control of the asset, the Company continues to recognise the transferred asset only to the extent of its continuing involvement. In that case, the Company also recognises an associated financial liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to repay.

iii) Assignment Transactions

The Company transfers loan assets through direct assignment transactions. The transferred (assigned) portion of the loan is derecognised, and gains or losses are recognised in the Statement of Profit and Loss, only if the Company transfers substantially all the risks and rewards of ownership as specified in the underlying loan contracts.

Gain or loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss, and the corresponding loan asset is derecognised from the Balance Sheet on the date of assignment. Where the transfer qualifies for derecognition, the entire excess interest spread ('EIS'), being the present value of the future spread income (discounted over the estimated life of the assigned pool), is recognised on the date of derecognition as upfront interest income receivable and correspondingly presented as a gain or loss on derecognition of financial assets. Where the Company retains an obligation to service the transferred financial asset, it recognises either a servicing asset or a servicing liability, measured at fair value.

iv) Transfer of Stressed Loan Assets to Asset Reconstruction Companies (ARCs)

The Company transfers stressed loan assets to Asset Reconstruction Companies ("ARCs") in accordance with the applicable regulatory framework prescribed by the Reserve Bank of India. Such transfers are assessed for derecognition in accordance with the principles of Ind AS 109 – Financial Instruments. Where the transfer qualifies for derecognition, the transferred loan assets are derecognised from the Balance Sheet on the date of transfer. The consideration received, in the form of Security Receipts ("SRs"), is recognised at its fair value on the date of transfer and is subsequently measured in accordance with the Company's accounting policy for financial instruments.

Where the fair value of the Security Receipts exceeds the carrying amount of the stressed loan assets transferred, the resulting excess is not recognised as income in the Statement of Profit and Loss. Instead, the Company recognises a corresponding provision by adjusting the carrying amount of the Security Receipts, considering the uncertainty associated with the ultimate redemption of the SRs and the expected recoveries from the underlying assets. The provision is reviewed periodically and adjusted based on the valuation and redemption of the Security Receipts, in accordance with the applicable regulatory requirements and the Company's accounting policy.

v) Securitisation Transactions

In the case of securitisation transactions where the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets, the Company continues to recognise the entire pool of loans on the Balance Sheet and recognises a collateralised borrowing for the proceeds received. The loans and the corresponding borrowing continue to be measured in accordance with the relevant policies for financial assets at amortised cost and financial liabilities, respectively.

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3.03 Financial instrument - initial recognition and measurement (continued)

vi) Write-Off

The gross carrying amount of a financial asset is written off (either partially or in full) when the Company has no reasonable expectation of recovering the asset. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. The decision to write off is made in accordance with the Company's Board-approved provisioning and write-off policy.

Where the amount to be written off exceeds the accumulated ECL allowance already recognised, the difference is recorded as an additional impairment charge in the Statement of Profit and Loss in the period of write-off. A write-off constitutes a derecognition event. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures. Any recoveries made subsequent to write-off are credited to impairment on financial instruments in the Statement of Profit and Loss in the period of recovery.

vii) Derecognition of Financial Liabilities

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

G. Modification of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise altered between initial recognition and maturity. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The introduction or adjustment of existing covenants constitutes a modification even if those covenants do not affect cash flows immediately but may do so contingently.

The Company evaluates whether the cash flows of the modified asset are substantially different from those of the original asset. The assessment considers both quantitative factors (using the present value of revised cash flows discounted at the original EIR compared to the carrying amount of the original asset) and qualitative factors (including a change in currency, the underlying obligor, and whether the instrument continues to meet the SPPI criterion).

If the cash flows are substantially different, the original financial asset is derecognised, and a new financial asset is recognised at fair value on the modification date, plus any eligible transaction costs. In this case:

- fees that are considered in determining the fair value of the new asset, or that represent reimbursement of eligible transaction costs, are included in the initial measurement of the new asset; and
- all other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows are not substantially different, the modification does not result in derecognition. The Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows, discounted at the original EIR. The resulting modification gain or loss is recognised in the Statement of Profit and Loss. If the modification is carried out because of financial difficulties of the borrower, the gain or loss is presented together with impairment losses; otherwise, it is presented as interest income using the EIR method. Any costs or fees incurred on a non-derecognition modification adjust the carrying amount of the modified financial asset and are amortised over the remaining term using the EIR method.

3.04 Impairment of financial assets

A. Overview of Expected Credit Loss ('ECL') principles

In accordance with Ind AS 109, the Company applies the ECL model to evaluate impairment of all financial assets that are not measured at Fair Value Through Profit or Loss ('FVTPL'). ECL is a probability-weighted estimate of credit losses, measured as the present value of the difference between the cash flows contractually due to the Company and the cash flows it expects to receive, discounted at the original Interest Rate of the financial asset.

The ECL allowance is recognised at an amount equal to:

i) 12-Month ECL: Expected credit losses that result from those default events that are possible within 12 months after the reporting date. This measurement applies to financial assets where there has been no significant increase in credit risk ('SICR') since initial recognition (Stage 1).

ii.) Lifetime ECL: Expected credit losses that result from all possible default events over the expected life of the financial asset. This measurement applies to financial assets where there has been a significant increase in credit risk since initial recognition (Stage 2) or that are credit-impaired (Stage 3).

A loss allowance for lifetime ECL is required when the credit risk on a financial instrument has increased significantly since initial recognition. For all other instruments, the ECL is measured at the 12-month ECL. Both 12-month and lifetime ECLs are generally calculated on a collective (portfolio) basis for homogeneous pools of loans, except where individual assessment is more appropriate.

Where the Company has undrawn loan commitments subject to impairment requirements, it estimates the expected portion of the commitment that will be drawn down over its expected life, and calculates the ECL on the basis of the present value of expected cash shortfalls if the loan is drawn down.

Based on the above, the Company categorises its loans and financial assets into Stage 1, Stage 2 and Stage 3, as described below and summarised in the table:

Stage	Days Past Due	ECL Measurement	Credit Risk Classification
Stage 1	Up to 30 DPD	12-Month ECL	No significant increase in credit risk since initial recognition (low credit risk).
Stage 2	31–90 DPD (or qualitative SICR triggers)	Lifetime ECL	Significant increase in credit risk since initial recognition.
Stage 3	More than 90 DPD	Lifetime ECL	Credit-impaired (defaulted) assets.



3.04 Impairment of financial assets (continued)

Stage 1:

When a financial asset is first recognised, the Company classifies it in Stage 1 and recognises a 12-month ECL allowance. Stage 1 also includes financial assets where the credit risk has subsequently improved, and the asset has been reclassified (upgraded) from Stage 2 or Stage 3, provided there is no other evidence of SICR. The Company recognises interest income on Stage 1 assets on the gross carrying amount using the EIR method.

Stage 2:

When a financial asset has shown a significant increase in credit risk since initial recognition, including, as a rebuttable presumption, all assets that are more than 30 days past due, the Company reclassifies it to Stage 2 and records a lifetime ECL allowance. Stage 2 also includes assets reclassified (upgraded) from Stage 3, where the credit risk has improved, but SICR relative to initial recognition still exists. The Company recognises interest income on Stage 2 assets on the gross carrying amount using the EIR method.

Stage 3:

Financial assets considered credit-impaired are classified in Stage 3. The Company defines default, and consequently Stage 3 classification, as contractual payments of principal and/or interest being past due for more than 90 days, as well as other indicators of credit impairment described in Section C below. The Company records a lifetime ECL allowance for all Stage 3 assets. Once a financial asset is in Stage 3, interest income is recognised on the net carrying amount (i.e., the gross carrying amount less the ECL allowance) using the EIR method. A financial asset classified as Stage 3 shall be considered for migration to Stage 1 only when the default/overdue amount relating to the financial asset has been fully recovered and the financial asset is no longer considered credit-impaired.

B. Calculation of ECLs

The ECL for a financial asset is calculated as the product of three key components: Probability of Default ('PD'), Exposure at Default ('EAD'), and Loss Given Default ('LGD'), discounted at an approximation to the original interest rate of the financial asset. The key elements are defined below.

Probability of Default ('PD'):

PD is an estimate of the likelihood of default over a given time horizon. For Stage 1 assets, the 12-month PD is used; for Stage 2 and Stage 3 assets, lifetime PDs are used. A default may only happen at a certain time over the assessed period, provided the facility has not been previously derecognised and remains in the portfolio. PDs are derived from historical default experience across homogeneous portfolios, adjusted for reasonable and supportable forward-looking information.

Exposure at Default ('EAD')

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest (whether scheduled by contract or otherwise), and accrued interest from missed payments. For Stage 3 assets, EAD represents the exposure at the time of default.

Loss Given Default ('LGD')

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral or credit enhancements. LGD is generally expressed as a percentage of EAD. LGD estimates reflect the Company's historical loss and recovery experience and take into account the type, seniority, and value of collateral, as well as the time value of money through the discounting of expected recoveries.

The Company calculates PD, EAD and LGD to determine the ECL allowance on the portfolio of financial assets, discounted at an approximation to the original interest rate of the financial asset. The PDs, EADs and LGDs are reviewed, and changes in forward-looking estimates are analysed. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains.

C. Significant Increase in Credit Risk ('SICR')

The Company monitors all financial assets that are subject to impairment requirements at each reporting date to assess whether there has been a significant increase in credit risk since initial recognition. If a SICR has occurred, the loss allowance is measured at lifetime ECL.

In making this assessment, the Company compares the risk of a default occurring on the financial instrument at the reporting date (based on the remaining maturity of the instrument) with the risk of default that was estimated at initial recognition. The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, without incurring undue cost or effort.



3.04 Impairment of financial assets (Continued)

The following are indicators, among others, that the Company considers as evidence of a significant increase in credit risk:

(a) the financial asset is 30 or more days past due on contractual payments (this represents a rebuttable presumption under Ind AS 109, i.e., unless the Company has reasonable and supportable information demonstrating that the SICR criteria are not met);

(b) A stage 2 classification on one loan of a borrower results in all other loans of the same borrower being assessed for SICR (cross-default / borrower-level assessment); and

(c) Significant increase in credit risk in comparable instruments or in the borrower's industry or geographic segment.

The Company applies the low credit risk exemption where a financial instrument has a low credit risk at the reporting date; in such cases, it may be assumed that the credit risk has not increased significantly since initial recognition. The Company monitors the appropriateness of this exemption on an ongoing basis.

D. Definition of Default and Credit-Impaired Financial Assets

The definition of default is fundamental to the determination of ECL, as it is a component of the PD and is used to determine whether the loss allowance should be based on 12-month or lifetime ECL.

The Company considers a financial asset to be in default and consequently credit-impaired (Stage 3) when contractual payments of principal and/or interest are past due for more than 90 days ('quantitative backstop').

Loan accounts where principal and/or interest are past due for more than 90 days, along with all other loan accounts of that customer (cross-default), continue to be classified as Stage 3 until overdue amounts across all loan accounts are cleared. A Stage 3 financial asset is upgraded to Stage 1 only upon clearance of all overdue amounts and when there is no other evidence of credit impairment.

The Company's definition of default is applied consistently with the prudential norms prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (as amended from time to time), and is used consistently for regulatory reporting and the assessment of credit impairment under Ind AS 109.

E. Forward-Looking Information and Macroeconomic Factors

The Company incorporates forward-looking information in the measurement of expected credit losses ("ECL") in accordance with the requirements of Ind AS 109. The assessment considers current and forecast economic conditions that are expected to influence the probability of default and the expected recoverability of financial assets. Relevant macroeconomic indicators are selected based on their relevance to the Company's portfolio, historical relationship with credit performance and expected future economic outlook.

The Company uses forward-looking macroeconomic scenarios such as unemployment rate and GDP, including a base case and alternative upside and downside scenarios, to estimate ECL. Appropriate probability weights are assigned to each scenario based on management's assessment of the likelihood of their occurrence. The impact of these scenarios is incorporated into the estimation of probability of default and other credit risk parameters used in the ECL model. The assumptions, methodologies and macroeconomic overlays are reviewed at each reporting date and updated, where necessary, to reflect changes in economic conditions, portfolio characteristics and emerging credit risk trends.

3.05 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics that market participants would consider when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value

For financial reporting purposes, fair value measurements are categorised into Level 1, Level 2 or Level 3 based on the observability and significance of the inputs used in the measurement, as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities to which the Company has access at the measurement date. A market is considered active only if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and binding, exercisable price quotes are available at the reporting date.

Level 2: Inputs are observable, either directly or indirectly, other than quoted prices included within Level 1, and are significant to the fair value measurement in its entirety. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; observable inputs other than quoted prices, such as interest rates, yield curves, implied volatilities and credit spreads, and inputs that are derived principally from or corroborated by observable market data over the entire period of the instrument's life.

Level 3: Inputs are unobservable and are significant to the fair value measurement in its entirety. Level 3 measurements are based on the best information available in the circumstances, which may include the Company's own internally developed data, and reflect assumptions that market participants would use when pricing the asset or liability.

Where inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety at the same level as the lowest level input that is significant to the measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period in which the transfer occurs.



3.06 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Where a transaction is recorded using an average rate, that rate is used only where it approximates the actual rate at the date of the transaction. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the closing exchange rate. Exchange differences arising on settlement or retranslation of monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated using the exchange rate at the date the fair value was determined, with the resulting exchange difference recognised consistently with the gain or loss on the fair value remeasurement, that is, in the Statement of Profit and Loss or in Other Comprehensive Income, as applicable. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction and are not subsequently retranslated.

3.07 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment individually costing Rs. 5,000/- or less are not capitalised and are expensed to the Statement of Profit and Loss in the year of purchase. Any gain or loss arising on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other subsequent expenditure is recognised in the Statement of Profit and Loss as incurred.

iii. Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values, over their estimated useful lives using the Written Down Value ('WDV') method and is recognised in the Statement of Profit and Loss. Depreciation on additions is provided on a pro-rata basis from the date the asset is ready for use, and on disposals up to the date of disposal.

The estimated useful lives adopted by the Company are consistent with those prescribed under Part C of Schedule II to the Companies Act, 2013, except for leasehold improvements, which are depreciated over the lower of the lease period or 10 years/30 years (as the case may be). The useful lives are as follows:

Asset category	Estimated Useful life	Useful life as per Schedule II
Furniture and fittings	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computers and accessories	3 years	3 years
Leasehold improvements - HO	30 years	Not applicable
Leasehold improvements - Branch	Lower of Lease period or 10 years	Not applicable

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

3.08 Intangible assets

i. Goodwill

For the measurement of goodwill arising on a business combination, refer to Note 3.12. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it may be impaired.

i. Other intangible assets

Intangible assets acquired by the Company are initially measured at cost. Such assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any. Expenditure on internally generated goodwill and brands is recognised in the Statement of Profit and Loss as incurred.

ii. Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is recognised in the Statement of Profit and Loss as incurred.

iii. Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives, from the date they are available for use, and are presented within depreciation and amortisation in the Statement of Profit and Loss. The estimated useful lives are as follows:

Asset category	Estimated Useful life
Computer software	5 years
Branch distribution network	5 years
Internally Generated Software	2 to 5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.



3.09 Employee benefits

i. Post-employment benefits

a) Defined contribution plan

The Company's contributions to provident fund, employee state insurance and other defined contribution schemes are recognised as an expense in the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made and when the services are rendered by the employees. The Company has no further obligation once the contributions have been paid.

b) Defined benefit plans - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of its gratuity plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of the defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (the 'asset ceiling'), taking into account any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, comprising actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the Balance Sheet with a corresponding debit or credit through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The net interest expense or income on the net defined benefit liability or asset is determined by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period, to the opening net defined benefit liability or asset, adjusted for any changes during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit relating to past service (past service cost or gain) or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Gains and losses on settlement of a defined benefit plan are recognised in the Statement of Profit and Loss when the settlement occurs.

ii. Other long-term employee benefits - Compensated absences

Employees may carry forward a portion of unutilised accrued compensated absences for use in future service periods or receive cash compensation upon termination of employment. Since such compensated absences do not fall due wholly within twelve months after the end of the reporting period, the benefit is classified as a long-term employee benefit. The Company records an obligation for compensated absences in the period in which the employee renders services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

iii. Short-term employee benefits

Short-term employee benefits are expensed at the undiscounted amount expected to be paid in the period in which the related services are rendered. These benefits include performance incentives and compensated absences expected to occur wholly within twelve months after the end of the reporting period. The cost of short-term compensated absences is recognised as follows:

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

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

iv. Stock based compensation

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period being the period over which all specified vesting conditions are to be satisfied. The amount recognised as an expense reflects the best estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met. The cumulative expense recognised at each reporting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of awards that will ultimately vest. The impact of any revision to that estimate is recognised in the Statement of Profit and Loss with a corresponding adjustment to equity.



3.10 Leases

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

As a lessee

Recognition and Initial Measurement

The Company recognises a right-of-use ('ROU') asset and a corresponding lease liability at the lease commencement date for all leases.

The ROU asset is initially measured at cost, comprising:

(a) the initial amount of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred; and
(d) an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The incremental borrowing rate is determined by obtaining interest rates from external financing sources that reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise:

(a) fixed payments, including in-substance fixed payments;
(b) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
(c) amounts expected to be payable under a residual value guarantee; and
(d) the exercise price of a purchase option, if the Company is reasonably certain to exercise that option; lease payments in an optional renewal period, if the Company is reasonably certain to exercise an extension option; and penalties for early termination, unless the Company is reasonably certain not to terminate early.

Subsequent Measurement

The ROU asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. However, where the lease transfers ownership of the underlying asset to the Company by the end of the lease term, or the cost of the ROU asset reflects that the Company will exercise a purchase option, the ROU asset is depreciated over the useful life of the underlying asset on the same basis as property, plant and equipment. The ROU asset is also reduced by any impairment losses and adjusted for remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured when:

(a) there is a change in future lease payments arising from a change in an index or rate;
(b) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
(c) the Company changes its assessment of whether it will exercise a purchase, extension or termination option; or
(d) there is a revision to an in-substance fixed lease payment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset. Where the carrying amount of the ROU asset has been reduced to zero, any further remeasurement is recognised in the Statement of Profit and Loss.

Presentation

The Company presents ROU assets as a separate line item on the face of the Balance Sheet. Lease liabilities are presented within borrowings or other financial liabilities, as appropriate.

Short-term leases

The Company has elected not to recognise ROU assets and lease liabilities for leases with a term of 12 months or less at the commencement date. Lease payments associated with such leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

3.11 Income tax

Income tax comprises current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or to an item recognised directly in equity or in Other Comprehensive Income, in which case the related tax is recognised in equity or Other Comprehensive Income, respectively.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received, after considering any uncertainty related to income taxes. Current tax is measured using tax rates and tax laws enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only when there is a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



3.11 Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and unused tax credits.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, carried forward tax losses, and unused tax credits can be utilised. In the case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the deferred tax asset can be realised.

Deferred tax assets, whether recognised or unrecognised, are reviewed at each reporting date. A previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. A previously recognised deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of the related assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities where the Company intends to settle current tax assets and liabilities on a net basis or expects to realise the asset and settle the liability simultaneously.

iii. Minimum Alternate Tax ("MAT")

Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as a deferred tax asset only when it is probable that the Company will pay normal income tax in future periods and thereby utilise the MAT credit within the period specified under the applicable tax laws. The MAT credit entitlement is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the Company will pay normal income tax during the carry-forward period, with any such reduction recognised in the Statement of Profit and Loss.

3.12 Business combinations

In accordance with Ind AS 103, the Company accounts for these business combinations (other than those arising from common control) using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exist clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Business combination arising from transfer of interests from entities under common control are accounted for as if the acquisition has occurred at beginning of the earliest comparative period or, if later, at the date that common control established; for this purpose comparative period of revised. The assets and liabilities are recognized at their carrying amounts. The identity of the reserves are preserved and they appear in the same form.

The accounting treatment of the business combinations undertaken by the Company during the year is set out in Notes 77 and 78 to these standalone financial statements.



3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks in current and deposit accounts, and short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents are presented net of bank overdrafts, if any, that are repayable on demand and form an integral part of the Company's cash management.

3.14 Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') in order to make resource allocation decisions and to assess performance, and for which discrete financial information is available.

The Company's CODM has been identified by the Board of Directors as Managing Director and Chief Executive Officer. Based on the management approach as defined in Ind AS 108, the CODM reviews the Company's performance and allocates resources based on an analysis of performance indicators at the entity level. Accordingly, the Company has determined that it operates as a single reportable segment. As the Company operates in a single business and geographical segment, no additional segment disclosures are required.

3.15 Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss after tax attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per equity share is computed by dividing the net profit or loss after tax attributable to equity shareholders, adjusted for the after-tax effect of expenses associated with dilutive potential equity shares, by the weighted average number of equity shares and dilutive potential equity shares outstanding during the reporting period. Dilutive potential equity shares are deemed to have been converted as at the beginning of the period, unless issued at a later date. Potential equity shares are treated as dilutive only when their conversion to equity shares would decrease earnings per share or increase loss per share from continuing ordinary operations.

In computing diluted earnings per share, only potential equity shares that are dilutive and that do not increase earnings per share or decrease loss per share are included.

3.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation, discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Expected future operating losses are not provided for.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the standalone financial statements but are disclosed in the notes unless the possibility of an outflow of resources is remote.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the standalone financial statements. However, when the inflow of economic benefits is probable, the contingent asset is disclosed in the notes to the standalone financial statements. When the realisation of income is virtually certain, the related asset is no longer contingent and is recognised in the standalone financial statements.

3.17 Cash flow statement

The Statement of Cash Flows is prepared using the indirect method, whereby profit before tax is adjusted for the effects of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows from operating, investing and financing activities are presented separately. Taxes paid are classified as operating cash flows unless they can be specifically identified with financing or investing activities.

3.18 Derivative Financial Instruments and Hedge Accounting

a) Derivative Financial Instruments

The Company enters into derivative financial instruments, including Cross Currency Interest Rate Swaps ('CCIRS') and Cross Currency Swaps ('CCS'), to manage its exposure to foreign currency risk and interest rate risk arising primarily from foreign currency borrowings. The Company does not enter into derivative contracts for speculative or trading purposes.

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately, unless the derivative is designated as a hedging instrument and qualifies for hedge accounting, in which case the timing of recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.



3.18 Derivative Financial Instruments and Hedge Accounting (continued)

b) Hedge Accounting

The Company applies hedge accounting for transactions that meet the specified criteria under Ind AS 109. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship, the risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, the hedge ratio, and the method by which the Company will assess hedge effectiveness. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to confirm that they have been highly effective throughout the reporting periods for which they were designated.

c) Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, that could affect the Statement of Profit and Loss. The effective portion of the cumulative gain or loss on the hedging instrument is recognised in Other Comprehensive Income and accumulated in equity under the cash flow hedge reserve. The ineffective portion is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the accumulated effective portion is reclassified to the corresponding income or expense line. Where the hedged forecast transaction results in the recognition of a non-financial asset or liability, amounts previously recognised in Other Comprehensive Income are transferred and included in the initial cost of that asset or liability.

Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated or exercised, or when the hedge no longer qualifies. Amounts accumulated in the cash flow hedge reserve are reclassified to the Statement of Profit and Loss when the forecast transaction ultimately affects profit or loss. If the forecast transaction is no longer expected to occur, the accumulated amount is recognised immediately in the Statement of Profit and Loss.

3.19 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing is required for an asset, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is calculated as the present value of estimated future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the Statement of Profit and Loss.

At each reporting date, the Company also assesses whether there is any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased. If such indication exists, the recoverable amount is re-estimated, and the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior periods. Such reversal is recognised in the Statement of Profit and Loss. Impairment losses relating to goodwill are not reversed.

3.20 Recent Accounting Pronouncements

a) Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

b) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by:

* clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period; a) must have substance, and b) must exist at the end of the reporting period;
* stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;
* including requirements for liabilities that can be settled using an entity's own instruments; and
* stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

These amendments do not have any impact on these standalone financial statements

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4 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Cash on hand	86.28	258.63
Balances with banks		
- in current accounts	12,966.29	16,274.45
- in deposit accounts (Original maturity less than three months)	2,068.26	10,636.58
Total	**15,120.83**	**27,169.67**

Note: Balance with Banks in current accounts includes balance in Cash Credit accounts with banks as of 31st March 2026: Rs.7.97 Lakhs and 31st March 2025: Rs.8.02 Lakhs

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Deposit accounts under lien*	9,493.99	9,158.71
Deposit accounts without lien	19.71	76.81
Total	**9,513.70**	**9,235.52**

*Note:

(i) Fixed deposit includes cash collateral amounting to Rs.4,938.94 Lakhs (March 31, 2025 : Rs.3,546.16 Lakhs) for securitisation transactions.

(ii) Balance fixed deposits other than those mentioned above has been provided as security for loans taken by the company.

6 Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables	196.99	313.38
Less: Impairment loss allowance (receivables)	(22.40)	(35.16)
Total	**174.59**	**278.22**

6.1 Receivables ageing schedule as on March 31, 2026

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed – considered good	144.91	6.52	18.10	5.06	-	174.59
(ii) Undisputed – have significant credit risk	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-	-
(v) Disputed – have significant credit risk	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	2.07	20.33	-	22.40
Trade Receivables	**144.91**	**6.52**	**20.17**	**25.39**	-	**196.99**
Less: Impairment loss allowance (receivables)	-	-	(2.07)	(20.33)	-	(22.40)
Total	**144.91**	**6.52**	**18.10**	**5.06**	-	**174.59**

6.2 Receivables ageing schedule as on March 31, 2025

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed – considered good	261.02	12.18	3.14	1.88	-	278.22
(ii) Undisputed – have significant credit risk	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-	-
(v) Disputed – have significant credit risk	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	34.70	0.46	-	35.16
Trade Receivables	**261.02**	**12.18**	**37.84**	**2.34**	-	**313.38**
Less: Impairment loss allowance (receivables)	-	-	(34.70)	(0.46)	-	(35.16)
Total	**261.02**	**12.18**	**3.14**	**1.88**	-	**278.22**

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7 **Loans**

Particulars	As at March 31, 2026			As at March 31, 2025		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
A Based on nature						
Term Loans						
Gross term loans	145,835.58	34,258.84	180,094.42	131,627.17	56,597.66	188,224.84
Less: Impairment loss allowance	(4,867.07)	(195.73)	(5,062.80)	(10,181.54)	(301.49)	(10,483.03)
Net term loans	**140,968.51**	**34,063.11**	**175,031.62**	**121,445.64**	**56,296.17**	**177,741.81**
B Based on security						
Secured by tangible assets*	2,299.36	-	2,299.36	902.94	-	902.94
Unsecured	143,536.22	34,258.84	177,795.06	130,724.23	56,597.66	187,321.90
Gross term loans	**145,835.58**	**34,258.84**	**180,094.42**	**131,627.17**	**56,597.66**	**188,224.84**
Less: Impairment loss allowance	(4,867.07)	(195.73)	(5,062.80)	(10,181.54)	(301.49)	(10,483.03)
Net term loans	**140,968.51**	**34,063.11**	**175,031.62**	**121,445.64**	**56,296.17**	**177,741.81**
C Based on region						
Loans in India						
Public sector	-	-	-	-		
Others	145,835.58	34,258.84	180,094.42	131,627.17	56,597.66	188,224.84
Less: Impairment loss allowanc	(4,867.07)	(195.73)	(5,062.80)	(10,181.54)	(301.49)	(10,483.03)
Loans outside India	-	-	-			
Less: Impairment loss allowanc	-	-	-	-	-	-
Net term loans	**140,968.51**	**34,063.11**	**175,031.62**	**121,445.64**	**56,296.17**	**177,741.81**

Note:

*Secured exposures are secured by way of equitable mortgage of property and physical gold.

8 **Investments**

Particulars		As at March 31, 2026	As at March 31, 2025
At Fair Value through P&L			
Investment in Mutual Fund Liquid fund		-	88.30
Investment In ARC SR - CFM ARC TRUST		11,282.27	-
Investment in pass-through certificates (unquoted)			
In pass-through certificates			
Akara Capital Advisors Private Limited		-	1,874.72
Investment in Subsidiary (unquoted)			
Dvara KGFS Digital Services Private Limited	(Refer Note 77 & 78)	100.27	-
Total Investments		**11,382.54**	**1,963.02**
(i) Investments outside India		-	-
(ii) Investments in India		11,382.54	1,963.02
Total Investments		**11,382.54**	**1,963.02**

9 **Other financial assets**

Unsecured, considered good (At Amortised Cost)

Particulars		As at March 31, 2026	As at March 31, 2025
Security deposits		264.14	158.19
Unbilled revenue		169.63	101.44
Employee advances		100.90	114.14
13% Demand Promissory Note Receivable	(Refer Note 77 & 78)	75.35	-
Other's		932.02	1,321.29
Total		**1,542.05**	**1,695.06**

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10 Property, plant and equipment

Particulars	Computers and Accessories	Furniture and fittings	Leasehold improvements	Office equipment	Vehicles	Total
Carrying amount						
As at April 01, 2024	**749.32**	**45.40**	**476.51**	**668.58**	**0.95**	**1,940.76**
Additions	330.07	2.75	88.45	171.11	-	592.38
Deletions	(6.97)	(33.13)	(1.74)	(59.59)	(0.44)	(101.87)
As at April 01, 2025	**1,072.42**	**15.02**	**563.23**	**780.10**	**0.51**	**2,431.27**
Additions	70.81	3.02	115.90	80.78	-	270.51
Deletions	(121.56)	-	-	(89.22)	-	(210.78)
As at March 31, 2026	**1,021.67**	**18.04**	**679.13**	**771.66**	**0.51**	**2,491.01**
Accumulated depreciation						
As at April 01, 2024	**540.02**	**25.76**	**311.64**	**462.50**	**0.76**	**1,340.67**
Depreciation for the year	246.99	12.61	62.28	133.12	0.17	455.16
Deletion	(6.62)	(30.68)	(1.65)	(57.01)	(0.44)	(96.41)
As at April 01, 2025	**780.38**	**7.69**	**372.27**	**538.60**	**0.48**	**1,699.42**
Depreciation for the period	106.25	2.22	65.54	125.22	-	299.23
Deletion	(33.14)	-	-	(79.63)	-	(112.77)
As at March 31, 2026	**853.49**	**9.91**	**437.81**	**584.19**	**0.48**	**1,885.88**
Carrying amount (net)						
As at April 01, 2025	**292.04**	**7.33**	**190.96**	**241.50**	**0.03**	**731.85**
As at March 31, 2026	**168.18**	**8.12**	**241.32**	**187.47**	**0.03**	**605.13**



10A Intangible Assets

Particulars	Goodwill	Other intangible assets			
		Internally Generated Software	Branch Distribution Network	Computer Software	Total
Carrying amount					
As at April 01, 2024	**227.88**	**139.08**	**2,221.00**	**598.91**	**2,958.99**
Additions	-	180.01	-	-	**180.01**
Deletions	-	-	-	-	-
As at April 01, 2025	**227.88**	**319.09**	**2,221.00**	**598.91**	**3,139.00**
Additions	-	119.09	-	-	119.09
Deletions	-	(47.01)	-	(136.25)	(183.26)
As at March 31, 2026	**227.88**	**391.18**	**2,221.00**	**462.66**	**3,074.83**
Accumulated amortisation					
As at April 01, 2024	-	**15.55**	**531.50**	**533.59**	**1,080.64**
Amortisation for the year	-	58.10	444.20	28.63	530.93
Deletion	-	-	-	-	-
As at April 01, 2025	-	**73.65**	**975.70**	**562.22**	**1,611.57**
Amortisation for the period	-	93.32	444.33	17.11	554.76
Deletion	-	(23.53)	-	(116.67)	(140.21)
As at March 31, 2026	-	**143.44**	**1,420.03**	**462.66**	**2,026.12**
Carrying amount (net)					
As at April 01, 2025	-	**227.88**	**245.45**	**1,245.30**	**36.68**	**1,755.31**
As at March 31, 2026	-	**227.88**	**247.74**	**800.97**	**-0.00**	**1,276.59**



10B Right of use assets ('ROUA')

Particulars	Office premises
Carrying amount	
As at April 01, 2024	**2,040.34**
Additions	431.15
Deletions	-
As at April 01, 2025	**2,471.49**
Additions	174.49
Deletions	(200.00)
As at March 31, 2026	**2,445.98**
Accumulated depreciation	
As at April 01, 2024	**966.95**
Depreciation for the year	377.18
Deletion	-
As at April 01, 2025	**1,344.13**
Depreciation for the year	402.98
Deletion	-
As at March 31, 2026	**1,747.11**
Carrying amount (net)	
As at April 01, 2025	**1,127.36**
As at March 31, 2026	**698.87**

10C Intangible asset under development

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	83.19	59.05
Add: Cost incurred during the year	198.38	204.15
Less: Amount capitalised during the year	119.09	180.01
Closing balance	**162.48**	**83.19**

Ageing

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	92.29	70.19	-	-	**162.48**
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2026	**92.29**	**70.19**	-	-	**162.48**

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	74.94	8.25	-	-	**83.19**
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2025	**74.94**	**8.25**	-	-	**83.19**

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11 Other non-financial assets (at amortised cost)

Unsecured, considered good.

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	11.41	30.73
Balances with government authorities	580.74	587.23
Prepaid expenses	982.60	397.15
Advance to vendors	74.16	138.08
Total	**1,648.91**	**1,153.19**

12 Derivative financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Currency derivatives		
Cross currency interest rate swaps	7,189.77	691.26
Cross currency swaps	666.94	(16.51)
Total	**7,856.71**	**674.75**

13 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	5.55
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	481.25	417.43
Total	**481.25**	**422.98**

13.1 Trade payables ageing schedule as on March 31, 2026

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
(i) MSME - Undisputed dues	-	-	-	-	-
(ii) Others - Undisputed dues	481.25	-	-	-	481.25
(iii) MSME - Disputed dues	-	-	-	-	-
(iv) Others - Disputed dues	-	-	-	-	-
	481.25	-	-	-	**481.25**

* Trade payable includes unbilled dues amounting to Rs. 478.03 lakhs as at March 31, 2026.

13.2 Trade payables ageing schedule as on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
(i) MSME - Undisputed dues	5.55	-	-	-	5.55
(ii) Others - Undisputed dues	417.43	-	-	-	417.43
(iii) MSME - Disputed dues	-	-	-	-	-
(iv) Others - Disputed dues	-	-	-	-	-
Total	**422.98**	-	-	-	**422.98**

* Trade payable includes unbilled dues amounting to Rs. 416.89 lakhs as at March 31, 2025.

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14 **Debt securities**

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost:		
Secured debentures		
Redeemable, non-convertible debentures		
- from others	39,884.39	38,468.90
- from related parties (Refer Note 42)	65.00	75.00
Secured Bonds		
- from others parties	17,061.50	15,905.44
Unsecured debentures		
Redeemable, non-convertible debentures	1,539.22	4,019.90
Total	**58,550.10**	**58,469.24**
Debt securities in India	9,228.86	9,159.58
Debt securities outside India	49,321.24	49,309.66
Total	**58,550.10**	**58,469.24**

(A) **Debt securities - Secured - Redeemable non-convertible debentures (NCDs) - Others**

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor (years)	As at March 31, 2026	As at March 31, 2025
174 units (March 31, 2025 : 236 units) redeemable non-	Unlisted	12.5% - 13.5%	Bullet Principal and Monthly Interest	2-4 Years	188.63	245.03
55 units (March 31, 2025 : 292 units)	Unlisted	12.5% - 13%	Bullet Principal and Interest	2-4 Years	77.95	380.15
Nil units (March 31,2025 :1500 units) redeemable non-convertible debentures of Rs. 1 Lakh each	Unlisted	13.75%	Monthly Principal and Monthly Interest	2 Years	-	260.87
2500 units (March 31,2025 :2500 units) redeemable non-convertible debentures of Rs.1 Lakhs each	Unlisted	13.50%	Monthly Interest and Half Yearly Principal till Mar-25 and there on Monthly	2-3 Years	150.00	1,967.31
50000 units (March 31,2025:50000 units) redeemable non-convertible debentures of Rs. 10,000 each	Listed	11.00%	Quarterly Principal and Monthly Interest	2 Year	1,877.16	4,381.29



14 Debt securities (continued)

(A) Debt securities - Secured - Redeemable non-convertible debentures (NCDs) - Others (continued)

45100- units (March 31,2025 355 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Listed	11% - 15.00%	Bullet Principal and Monthly Interest	2-3 Years	4,588.40	1,275.71
4888 units (March 31,2025:4888units)redeemable non-convertible debentures of Rs. 1 Lakhs each	Listed	12.79%	Bullet Principal and Semi - Annual Interest	3 Years	4,888.00	4,908.57
Nil units (March 31, 2025: 40 units) redeemable non-convertible debentures of Rs. 1 crore each	Unlisted	13.5% - 15%	Monthly Principal and Interest	2 - 2.5 Years	-	653.33
7,496 units (March 31, 2025 :1214 units) redeemable non-convertible debentures of Rs. 10 lakhs each	Listed	10.50% - 12.90%	Bullet Principal and Quarterly Interest	3 - 4 Years	7,493.15	5,964.58
6600000 units (March 31, 2025: 6600000) redeemable non-convertible debentures of Rs. 100 each	Unlisted	13.50%	Bullet Principal and Quarterly Interest	3 -4 Years	6,600.00	6,675.67
-12011 units (March 31, 2025 : 12011 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Listed	13.60%	Bullet Principal and Quarterly Interest	3.83 Years	11,939.45	12,149.74
-25000 units (March 31, 2025 : 0 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Listed	11.00%	Yearly Principal and Monthly Interest	3 Years	2,502.35	-



14 **Debt securities (continued)**

(A) **Debt securities - Secured - Redeemable non-convertible debentures (NCDs) - Others (continued)**

-155 units (March 31, 2025 : 0 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Listed	12.50%-12.75%	Bullet Principal and Interest	3 Years	191.53	-
Less : Unamortised Processing Fees					(612.22)	(393.35)
Total					**39,884.39**	**38,468.90**

(B) **Debt securities - Secured - Redeemable non-convertible debentures (NCDs) from Related Parties**

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2026	As at March 31, 2025
55 units (March 31, 2025 : 45 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Unlisted	12.5% - 13%	Bullet Principal and Monthly Interest	3 Years	55.00	45.00
Nil units (March 31, 2025 : 20 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Unlisted	12.5% - 13%	Bullet principal and Interest	3 Years	-	20.00
10 units (March 31, 2025 : 10 units) redeemable non-convertible debentures of Rs. 1 lakhs each	Listed	12.75%	Bullet principal and Monthly Interest	3 Years	10.00	10.00
Less : Unamortised Processing Fees					-	-
Total					**65.00**	**75.00**

Notes:

a) NCDs are secured by specific charge on loans in favour of the Trustee for the benefit of the debenture holders. The Company needs to maintain 1 to 1.2 times of security cover for the outstanding NCDs at any point of time.

b) Interest for the above NCDs are payable on monthly/quarterly/half yearly / yearly basis.

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14 **Debt securities (continued)**

(C) **Debt securities - Secured Bonds - from other parties**

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2026	As at March 31, 2025
1800 units (March 31, 2025: 1800) Secured bonds from Other parties of USD 10,000 each	Listed	11.50% - 12.50%	Bullet principal and Semi annual Interest	3 Years	17,065.80	15,917.66
Less: Unamortised processing fees					(4.30)	(12.22)
Total					**17,061.50**	**15,905.44**

(D) **Debt securities - Unsecured - Redeemable non-convertible debentures**

Particulars	Listed/ Unlisted	Rate of Interest	Repayment Type	Tenor	As at March 31, 2026	As at March 31, 2025
2200 units (March 31, 2025:2200 units) redeemable non-convertible debentures of Rs. 1,00,000 each	Listed	14.50%	Yearly Principal and Monthly Interest	3 Years	1,540.10	2,213.98
Nil units (March 31, 2025 -180 units) redeemable non-convertible debentures of Rs. 10,00,000/- each	Unlisted	14.50%	Bullet principal and Monthly interest	3 Years	-	1,814.09
Less: Unamortised processing fees					(0.88)	(8.18)
Total					**1,539.22**	**4,019.90**

15 **Borrowings (Other than debt securities)**

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost		
Secured borrowings		
Term Loan from banks	16,039.91	29,672.61
Term Loan from others	16,764.52	16,077.39
Securitization borrowings	36,196.28	19,315.92
External commercial borrowings	35,564.73	36,780.31
Loan repayable on demand		
from banks	-	908.99
Total	**104,565.44**	**102,755.21**
Borrowings in India	69,000.71	65,974.90
Borrowings outside India	35,564.73	36,780.31
Subtotal	**104,565.44**	**102,755.21**



15 **Borrowings (Other than debt securities) (continued)**

a) The Borrowings have not been guaranteed by Director or others as at March 31, 2026 and as at March 31, 2025

b) The Company has borrowings from banks & FIs on the basis of security of Loans disbursed and the quarterly returns / statements of book debts filed with banks are in agreement with books of accounts as at March 31, 2026 and as at March 31, 2025.

c) The company has used the borrowings from banks and FIs for the specific purpose for which they were taken as at March 31, 2026 and as at March 31, 2025

d) There were no delays in repayment of borrowings as at March 31, 2026 and as at March 31, 2025

e) No Bank or Lender has declared the company as wilful defaulter as at March 31, 2026 and as at March 31, 2025

f) All charges / satisfaction of charges are registered with Registrar of Companies within statutory period as at March 31, 2026 and as at March 31, 2025

g) The Company has not classified any of its borrowings as immediately due during the year due to breach of covenants since the management is confident that there will not be any recall of such loans based on their discussion with lenders as at March 31, 2026 and as at March 31, 2025

A) **Term Loans from Banks:**

Repayment	Rate of	Tenor (years)	As at March 31, 2026	As at March 31, 2025
Monthly principal and Monthly Interest	12.45% - 13.00%	4 years	1,613.95	955.56
Monthly principal and Monthly Interest	11.75% - 13.00%	3 years - 4 years	8,687.83	9,360.99
Quarterly principal and Monthly Interest	11.75% - 12.85%	2 years - 3 years	4,319.37	15,653.27
Monthly principal and Monthly Interest	11.00% - 13.75%	2 years	1,550.46	3,885.67
Less: Unamortised Processing fees			(131.70)	(182.88)
Total			**16,039.91**	**29,672.61**

Notes:

All the above borrowings are secured by specific charge on the company's Loan assets . The Company needs to maintain a security cover ranging from 1.1 to 1.33 times of the outstanding amount at any point of time. Further, the Company has given cash collateral amounting to Rs. 5741.97 lakhs (March 31, 2025: Rs. 4498.34 lakhs) for the borrowings undertaken.

B) **Term Loans from others:**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
Monthly principal and Monthly interest	12.90% - 14.50%	3 Years	1,215.96	2,782.92
Yearly principal and Monthly interest	13.00%	3 Years	2,000.00	3,004.27
Monthly principal and Monthly interest	12.70% to 15.95%	2 years - 3 years	48.35	1,330.80
Monthly principal and Monthly interest	11.00% - 15.00%	2 Years	4,928.27	8,990.98
Monthly principal and Monthly interest	13.50% - 14.70%	1 year - 2 years	8,495.65	-
Monthly principal and Monthly interest	14.50%	< 1 year	253.09	-
Less: Unamortised processing fees			(176.80)	(31.58)
Total			**16,764.52**	**16,077.39**

Notes:

All the above borrowings are secured by specific charge on the company's loan assets . The Company needs to maintain a security cover ranging from 1.05 to 1.25 times of the outstanding loan amount at any point of time.Further, the Company has given cash collateral amounting to Rs. Nil (March 31, 2025: Rs. 55.42 lakhs) for the borrowings undertaken.



15 **Borrowings (Other than debt securities) (continued)**

(C) **Securitization borrowings**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
Monthly principal and Monthly interest	12.00% - 13.26%	1 year - 2 years	11,015.17	19,344.18
Monthly principal and Monthly interest	11.25% - 13.37%	2 years - 3 years	13,302.46	-
Monthly principal and Monthly interest	11.50% - 13.00%	3 years - 4 years	12,462.64	-
Less: Unamortised Processing Fee			(583.99)	(28.26)
Total			**36,196.28**	**19,315.92**

(D) **External Commercial Borrowings**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
Bullet principal and Half yearly interest	12.20% - 12.65%	3 years	10,610.19	8,840.49
Bullet principal and Half yearly interest	12.59%	4 years	4,718.10	6,199.59
Yearly principal and Half yearly interest	11.70%	4 years	7,078.74	6,291.67
Bullet principal and Half yearly interest	12.45%	5 years	13,323.94	15,778.17
Less: Unamortised processing fees			(166.24)	(329.61)
Total			**35,564.73**	**36,780.31**

Notes:

a) All the above loans are secured by specific charge on loans.

b) Interest rates are floating and are payable on a quarterly and half-yearly basis. The interest rates disclosed above represent the rates of interest as at March 31, 2026. The company has further hedged this interest risk.

(E) **Loan repayable on demand:**

Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
From banks				
Bullet principal and Monthly interest	12.55%	1 years	-	908.99
Total			**-**	**908.99**

Notes:

a) All the above borrowings from banks are secured by specific charge on the company's loan assets and cash collateral. The company needs to maintain a security cover 1.25 times of the outstanding amount at any point of time. Further, the company has given cash collateral amounting to Rs. Nil (March 31, 2025: Rs. 578.90 lakhs).

15a **Subordinated Liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Debentures	5,907.05	1,907.98
Subordinated Term Loan from banks	-	1,520.38
Subordinated Term Loan from others	10,931.77	10,288.42
0.001% Compulsorily convertible cumulative preference shares	2,627.98	-
Total	**19,466.80**	**13,716.78**
Subordinated Liabilities in India	19,466.80	13,716.78
Subordinated Liabilities outside India	-	-
Subtotal	**19,466.80**	**13,716.78**



15a Subordinated Liabilities (continued)

(A) Unsecured Debentures

Particulars	Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
2000 units(March 31 ,2025:2000Units) -Non-convertible debentures of Rs. 100,000	Bullet principal and Monthly Interest	12.5% - 18.5%	5 years	2,001.35	2,002.35
4250 units (March 31, 2025: Nil units) Non-convertible debentures of Rs. 100,000	Bullet principal and Half Yearly Interest	14.50%	10 years	4,250.00	-
Less: Unamortised processing fees				(344.30)	(94.37)
Total				**5,907.05**	**1,907.98**

(B) Subordinated term loans - from banks

Particulars	Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
From banks	Bullet principal	16.00%	7 years	-	1,520.38
Less: Unamortised processing fees				-	-
Total				**-**	**1,520.38**

(C) Subordinated term loans - from others

Particulars	Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
From others	Bullet principal and Monthly Interest	15.25%	6 years	1,500.00	1,502.51
	Half-yearly principal and Half yearly interest	13.35% - 14.90%	6-7 Years	4,740.50	8,846.65
	Bullet principal and Semi Annual Interest	13.35%	6 Years	4,740.50	-
Less: Unamortised processing fees				(49.23)	(60.74)
Total				**10,931.77**	**10,288.42**

Notes:

During the year ended March 31, 2026 and March 31, 2025, none of the Company's subordinated liabilities were classified as immediately due. While certain covenant-related matters were identified during the year, the respective lenders did not require immediate repayment, and accordingly, the subordinated liabilities continued to be classified in accordance with their contractual

(D) Compulsorily convertible cumulative preference shares

Particulars	Repayment Type	Rate of Interest	Tenor (years)	As at March 31, 2026	As at March 31, 2025
0.001% Compulsorily convertible cumulative preference shares*	-	0.001%	2.5 Years	2,627.98	-
Less: Unamortised processing fees				-	-
Total				**2,627.98**	**-**

*During the year ended March 31, 2026, the Company, on a private placement basis, allotted 6,89,304 Series 2 Compulsorily Convertible Preference Shares ('Series 2 CCPS') of face value Rs. 100 each at a premium of Rs. 310 per share. The Series 2 CCPS are compulsorily convertible into Equity Shares on or before 31 December 2027, with the conversion price to be determined based on the Company's ROE for FY 2026-27, subject to the agreed formula.



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Notes to the standalone financial statements for the the year ended March 31, 2026
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

15b Breach of Covenants:

S. No.	Lender	Covenant Sub Heading	Limit	Actual value	
				As at March 31, 2026	As at March 31, 2025
1	Aditya Birla Finance Limited	Gross NPA	<=5%	-	8.53%
		Debt to ATNW	<=5 times	-	-
2	Alteria Capital Advisors LLP	Gross NPA	<=5%	-	8.53%
3	Caspian Impact Investments Pvt Limited	PAR 90(%) to AUM	< 7.5%	-	7.83%
		PAR 30 (%) to AUM	< 10%	-	11.44%
4	Capri Global Capital Limited	PAR 90(%) to AUM	<=7.50%	-	7.83%
		Net NPA	<=3.50%	-	3.91%
5	Federal Bank Limited	Gross NPA	<=3%	3.66%	8.53%
		Net NPA	<=1.5%	1.64%	3.91%
6	Credit Saison Limited (Kisetsu Saison)	PAR90 (incl. managed portfolio) to AUM	<=4%	-	7.83%
7	Creation Investments FPI, LLC	PAR 90 Pre Write Off (current financial year) divided by AUM	<=1.5%	6.62%	11.29%
		PAR 90 Pre Write Off (current financial year) divided by on-book POS	<=1.5%	3.38%	11.63%
		PAR 30 divided by AUM	<=3.5%	7.24%	11.44%
		PAR 30 divided by on-book POS	<=3.5%	3.94%	10.58%
		Company shall not report losses in any quarter	Profit	Loss	Loss
8	Vivriti Capital Private Limited	Gross NPA	<=5%	-	8.53%
		Net NPA	<=3%	-	3.91%
9	Suryoday Small Finance Bank	Gross NPA	<=5%	-	8.53%
10	State Bank of India	Net NPA	<= 2.5%	-	3.91%
		Total outside liabilities/ Net owned funds	<= 5.75%	6.69%	-
11	RAR Fincare Limited	PAR 90+	<=3.5%	5.95%	7.83%
		Gross NPA	<=3%	3.66%	8.53%
		Net NPA	<=1%	1.64%	3.91%
12	The Muthoot Financial Limited	Gross NPA	<=5%	-	8.53%
13	MAS Financial Services Limited	Gross NPA	<=5%	-	8.53%
		Net NPA	<=2.50%	-	3.91%
14	UC Inclusive Credit Pvt Limited	PAR 90+	<=7%	-	7.83%
		Debt to Equity	< 4 times	-	4.12
15	Karur Vysya Bank	Gross NPA	<=5%	-	8.53%
		Net NPA	<=3%	-	3.91%
16	Piramal Enterprises Limited	Gross NPA	<=6%	-	8.53%
17	Maanaveeya Development & Finance Private Limited	PAR 90+ to AUM	<4%	5.95%	7.83%
		Operational Self Sufficiency	>=100%	92.56%	99.73%
18	OXYZO Financial Services Private Limited	(PAR 90+ + Trailing 12 Months Write off) / Total AUM	<= 6%	6.62%	11.29%
		ROA	> =0.75%	(1.62%)	0.05%
19	Kissanadhan Agri Financial Services Pvt Limited	PAR 90+	<=5%	-	7.83%
		Net NPA	<=3%	-	3.91%
20	Incred Financial Services Limited	(PAR 90+ + Trailing 12 Months Write off) / Total AUM	<=5%	-	11.29%
		(PAR 30+ + Trailing 12 Months Write off) / Total AUM	<=8%	-	14.91%



15b Breach of Covenants (continued)

S. No.	Lender	Covenant Sub Heading	Limit	Actual value	
				As at March 31, 2026	As at March 31, 2025
21	Karvy Capital Limited	(PAR 90+ + Trailing 12 Months Write off) / Total AUM	<=10%	-	11.29%
22	Blue Orchard Finance Limited	Portfolio At Risk over 30 days + Restructured Loans + Net Charge-offs during the last 12 months divided by the Outstanding Gross Loan Portfolio	<=10%	-	12.65%
		Portfolio at Risk over 90 days + Restructured Loans - Loan Loss Reserves divided by the Tier I Capital	<=10%	22.57%	23.15%
		Return on Assets(TTM)	0%	(1.62%)	0.00%
23	Northern Arc Capital Limited	Ratio of sum of the Par > 90 and write-offs (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio	<=5%	-	11.29%
24	Enabling Qapital Limited	Ratio of the sum of (x) Portfolio at Risk over 30 days + Restructured Loans + Net Charge-offs during the last 12 months divided by (y) the Outstanding Gross Loan Portfolio (on + off balance sheet)	<=12%	-	12.65%
		Ratio of the sum of (x) Portfolio at Risk over 90 days + Restructured Loans – Loan Loss Reserve) divided by (y) Tier 1 Capital	<=10%	22.57%	23.15%
		Return on Assets(TTM)	0.00%	(1.62%)	-
25	Triple Jump B.V	PAR30+RL Maximum (GLP Financials)	<=7%	-	9.76%
		Write-off TTM (including interest to Average GLP)	<=5%	-	5.33%
		Adjusted ROA	>=0.5%	(2.37%)	(0.87%)
		Return on Assets	>=0%	(1.62%)	-
26	Vivriti Asset Management Limited	Gross NPA	<=3%	3.66%	8.53%
		Net non-performing assets (computed at PAR90 on total book less provisions for NPA) as percentage to tangible NW	<=10%	20.57%	21.69%
		Return on Assets	>=0%	(1.62%)	-
		Net NPA	<=3%	-	3.91%
		Debt to tangible networth	<4.5	4.75	-
27	IIX Global Charitable Limited	PAR 30+ to AUM	<=4%	7.24%	11.44%
		PAR 90+ to AUM	<=3%	5.95%	7.83%
		Cost to Income Ratio	<80%	124.90%	100.91%
		Operational Self Sufficiency Ratio	>=100%	92.19%	99.60%
		Loan Loss Reserve Ratio of PAR 90 Days	>=50%	44.24%	-
		Loan Loss Reserve Ratio of PAR 90 Days	>=55%	44.24%	-
28	Bonds India Limited	Tier I Capital	>=18%	17.78%	-
29	Grip Investment Technologies Private Limited	PAT is Not Negative for Last four consecutive quarters	Profit	Loss	-

Owing to the stress currently being witnessed in the financial inclusion space, there has been a substantial increase in delinquencies in this sector in the current financial year. The Company has not met certain covenants as on 31st March 2026 and has sent requests to the respective lenders to condone the non-compliance. As of the date of these standalone financial statements, none of the lenders have requested for acceleration of payment of the amounts due to them and therefore, no adjustments are required in these standalone financial statements.



16 Other financial liabilities (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Payable to assignees towards collections in assigned assets-securitization	2,758.69	4,807.09
Payable to asset reconstruction company trust	210.82	-
Lease liabilities	951.30	1,393.57
Payable to employees and others	1,052.41	1,102.94
Total	**4,973.22**	**7,303.60**

17 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for guarantee	24.46	65.81
Provision for gratuity	313.17	15.13
Provision for compensated absences	459.99	321.80
Provision for service tax liability	18.75	18.75
Total	**816.38**	**421.50**

Refer note 40 for employee benefit disclosures

18 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory liabilities	327.75	497.76
Income received in advance	-	10.97
Total	**327.75**	**508.74**

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19 **Equity share capital**

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
11,900,000 (March 31, 2025: 11,900,000) equity shares of INR 100 each	11,900.00	11,900.00
4,000,000 (March 31, 2025: 4,000,000) 0.001 compulsorily convertible cumulative preference shares of INR 100 each	4,000.00	4,000.00
	15,900.00	**15,900.00**
Issued, subscribed and fully paid up		
Equity shares:		
1,16,66,477 (March 31, 2025: 1,16,66,477) equity shares of INR 100 each	11,666.48	11,666.48
	11,666.48	**11,666.48**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount (INR-Lakhs)	Number of shares	Amount (INR-Lakhs)
Equity shares of INR 100 each				
As at beginning of the year	11,666,477	11,666.48	10,887,144	10,887.14
Shares issued	-	-	-	-
Conversion of compulsorily convertible preference shares	-	-	779,333	779.33
As at the end of the year	**11,666,477**	**11,666.48**	**11,666,477**	**11,666.48**

Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date - **Nil**

Statement of changes in equity

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2026			
Equity share capital	10,887,144	-	10,887,144
As at March 31, 2025			
Equity share capital	10,887,144	-	10,887,144

Rights, preferences and restrictions attached to equity share

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividends as declared from time to time, subject to payment of dividends to preference shareholders. Dividends are paid in Indian Rupees. The dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of an interim dividend. The voting rights of an equity shareholder on a poll (not on the show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Rights, preferences and restrictions attached to compulsorily convertible preference shares

Each Compulsorily convertible cumulative preference share is convertible by its holder into one equity share. The holders of these shares are entitled to a cumulative dividend of 0.001%.

Preference shares carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the company directly affecting their rights. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid up and dividend in arrears on such shares.

The Company has not issued any shares without payment being received in cash in the last 5 years immediately preceding the Balance sheet date.

Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of total shares in class	Number of shares	% of total shares in class
Dvara Holdings- Trustee of Dvara Trust	3,650,428	31.29%	3,496,583	29.97%
Accion Africa-Asia Investment Company	2,720,061	23.32%	2,720,061	23.32%
Leapfrog Financial Inclusion India (II) Limited	2,508,105	21.50%	2,508,105	21.50%
Nordic Microfinance Initiative Fund IV KS	2,102,166	18.02%	2,102,166	18.02%
Stakeboat Capital Fund–I	656,874	5.63%	656,874	5.63%

Also refer note 41 in relation to ESOP.

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Shareholding of promoters

Shares held by promoters As at March 31, 2026

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Dvara Holdings (Trustee of Dvara Trust)	3,650,428	31.29%	4%
	Total	**3,650,428**	**31.29%**	**4%**

Shares held by promoters at 31st March 2025

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Dvara Holdings (Trustee of Dvara Trust)	3,496,583	29.97%	0%
	Total	**3,496,583**	**29.97%**	**0%**

20 **Other Equity**

Particulars	As at March 31, 2026	As at March 31, 2025
a) Capital reserves	1,329.46	1,329.46
b) Securities premium	38,310.44	38,310.44
c) Employee stock option outstanding account	287.22	225.72
d) Statutory reserves	2,520.44	2,520.44
e) Retained earnings (Surplus / Deficit in Statement of Profit and Loss)	(17,996.24)	(14,361.97)
f) General Reserve	180.81	173.12
g) Other comprehensive income	2,477.70	2,551.27
Balance at the end of the year	**27,109.83**	**30,748.48**

Particulars	As at March 31, 2026	As at March 31, 2025
a) Capital Reserves		
At the commencement of the year	1,329.46	1,329.46
Balance at the end of the year	**1,329.46**	**1,329.46**
b) Securities premium account		
Balance at the beginning of the year	38,310.44	35,504.84
Add: Securities premium on issue of compulsorily convertible preference shares	-	2,805.60
Balance at the end of the year	**38,310.44**	**38,310.44**
c) Employee stock option outstanding account		
Balance at the beginning of the year	225.72	206.70
Add: Share based payment expense for the year	69.19	25.43
Less: Transferred to General Reserve	(7.69)	(6.41)
Balance at the end of the year	**287.22**	**225.72**
d) Statutory reserves		
(As per Section 45-IC of Reserve Bank of India Act, 1934)		
Balance at the beginning of the year	2,520.44	2,496.78
Add: Amount transferred from surplus in statement of profit and loss*	-	23.66
Balance at the end of the year	**2,520.44**	**2,520.44**

*20% of profit after tax (if any) for the period has been transferred based on the provisions of the Reserve Bank of India Act, 1934.

e) Retained earnings (Surplus / Deficit in Statement of Profit and Loss)		
Balance at the beginning of the year	(14,361.97)	(14,558.67)
Add: Profit / (loss) for the year	(3,683.97)	118.31
Less: Transferred to statutory reserve	-	(23.66)
Less: Transfer from other comprehensive income	49.70	102.05
Balance at the end of the year	**(17,996.24)**	**(14,361.97)**
f) General Reserve		
Balance at the beginning of the year	173.12	166.71
Add: Transfer from employee stock option outstanding account	7.69	6.41
Balance at the end of the year	**180.81**	**173.12**
g) Other comprehensive income		
Balance at the beginning of the year	2,551.27	(857.49)
Add: Remeasurements of defined benefit asset/ (liability)	49.70	102.05
Add : Cash flow hedge reserve	975.68	113.55
Add : Fair valuation of loan	(1,049.25)	3,295.21
Less: Transfer to retained earnings	(49.70)	(102.05)
Balance at the end of the year	**2,477.70**	**2,551.27**

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20 Other Equity (continued)

Nature and purpose of reserve

a) Capital Reserves
Pursuant to scheme of arrangement approved by the NCLT on March 07, 2019, the company has created a capital reserve in accordance with the applicable accounting standards.

b) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

c) Employee stock option outstanding
The share option outstanding account represents reserve in respect of equity-settled share options granted to the Company's employees in pursuance of the employee stock option plan.

d) General Reserve
The general reserve consists of transfers from the employee stock option outstanding reserve due to the forfeiture of vested share options granted to employees. The reserve can be utilized by the Company in accordance with the Companies Act, 2013.

e) Statutory Reserve
Statutory Reserve is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per this section, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

f) Retained earnings
Retained earnings is the accumulated available profit/loss of the Company carried forward from earlier years.

g) Other comprehensive income
a) Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.
b) The Company has applied hedge accounting for designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity as cash flow hedge reserve.
c) Changes in the fair value of financial instruments classified as fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income and accumulated in the fair valuation reserve within other equity, in accordance with Ind AS 109, Financial Instruments.

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21 Interest income

(Interest income on financial assets measured at amortised cost)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
Interest income on loans to customers	38,417.74	41,574.97
Interest income from securitisation	7,753.67	6,852.19
Interest income from investments	79.66	862.54
Interest on fixed deposits	685.90	929.94
Other interest income	17.16	57.68
Total	**46,954.12**	**50,277.32**

22 Fees and commission income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees income	245.45	59.81
Commission income	825.66	1,787.36
Total	**1,071.11**	**1,847.17**

23 Net gain/(loss) on fair value changes:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on financial instruments at fair value through profit or loss (FVTPL)		
On trading portfolio		
Mutual fund investments at FVTPL	280.96	449.33
Total	**280.96**	**449.33**
Fair value changes		
Realised	280.96	442.24
Unrealised	-	7.09
Total	**280.96**	**449.33**

24 Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on sale of loan portfolio through assignment	1,851.78	5,297.14
Total	**1,851.78**	**5,297.14**

25 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on income tax refund	68.27	30.95
Net gain / (loss) on sale of an intangible asset	29.12	-
Other income	104.31	49.19
Total	**201.70**	**80.14**

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26 Finance Costs

(Finance costs on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on borrowings		
- term loans from banks	2,727.70	5,164.90
- securitised portfolio	2,415.57	2,403.62
- term loans from others	2,307.32	2,606.74
- term loans from related parties	4.60	87.59
- external commercial borrowings	6,399.17	4,487.69
Interest on debt securities	5,965.51	7,739.42
Interest on Subordinated Liabilities	1,477.52	1,886.88
Interest on Cash Credit	5.24	37.31
Other interest expense	83.96	3.68
Amortisation of ancillary costs relating to borrowings	1,815.40	1,593.39
Interest expense on lease liabilities	167.31	193.19
Total	**23,369.30**	**26,204.40**

27 Fees and commission expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Commission expense	372.36	552.40
Recovery costs	26.96	6.33
Total	**399.32**	**558.72**

28 Impairment on financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inpairment loss allowance		
(a) on loans	9,070.43	11,900.34
(b) on receivables	-	35.16
Bad debt written off	1,308.08	4,148.21
Subtotal	**10,378.51**	**16,083.71**
Less: Bad debts Recovered	(51.69)	(736.42)
Total impairment of financial assets	**10,326.82**	**15,347.29**

*Impairment loss allowance on loan includes provision for guarantee (Refer Note 17)

During the year ended March 31, 2026, the Company technically wrote off gross term loans amounting to exposure at default (EAD) of Rs. 2,475.44 lakhs. The Company carried a provision for Expected Credit Loss ("ECL") of Rs. 1,486.77 lakhs against the loans written off during the year.

29 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salary and bonus expenses	12,544.45	10,179.55
Contribution to provident and other funds	1,306.49	1,130.99
Staff welfare expenses	675.04	239.19
Share based payments to employees	69.19	25.43
Total	**14,595.17**	**11,575.17**

30 Depreciation and amortization expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment	299.23	455.16
Amortisation of intangible assets	514.68	450.78
Depreciation of right of use assets	224.88	288.96
Total	**1,038.78**	**1,194.89**

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31 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent	433.51	157.35
Electricity and water charges	103.21	75.17
Repairs and maintenance	66.86	53.91
Communication expenses	155.38	312.69
Printing and stationery	42.47	95.04
Payment to auditors (refer note 31.1)	74.55	77.10
Legal and professional charges	1,067.40	318.42
Insurance	28.15	348.53
Rates and taxes	322.29	396.80
Office maintenance	130.06	175.59
Travelling, conveyance and lodging	1,110.26	922.74
Corporate social responsibility expenses (refer note 31.2)	-	61.74
Technology fees	708.29	147.89
Other expenses	437.18	87.23
Total	**4,679.62**	**3,230.21**

31.1 Payments to auditors (excluding goods and services tax)

As auditor:	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory audit	32.20	27.00
Limited review	24.60	21.05
Tax audit	4.40	4.00
Other services	1.41	20.65
Reimbursement of expenses	11.94	4.40
Total	**74.55**	**77.10**

Note: Payment to auditors for the year ended March 31, 2025 includes fees paid to predecessor auditors

31.2 Details of Corporate Social Responsibility expenditure

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Amount required to be spent by the Company during the period/year	-	61.74
(b) Amount of expenditure incurred during the period/year :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	-	61.74
(c) Shortfall at the end of the period/year	-	-
(d) Total of previous years shortfall,	-	-
(e) Reason for shortfall		
(f) Nature of CSR activities	-	*

* The company donated 100 oxygen concentrators to public health centres and nursing homes. This initiative was launched during the second wave of COVID-19 to help communities and our customers at large, not just for COVID-19 emergencies but also for all health conditions that require oxygen support.

* The Company has undertaken CSR initiatives aimed at bridging the rural-urban digital divide by facilitating digital access and literacy in rural areas. The activities primarily focus on empowering rural women through training in digital literacy, financial literacy, and digital entrepreneurship. Additionally, the initiatives support women in becoming autonomous decision-makers and community information providers. These efforts are implemented through Community Information Resource Centres (CIRCs), which also offer digital services and assist the local population in accessing government entitlements.

Details of excess amounts spent carried forward for utilisation in future years:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Opening balance	14.48	38.92
b) Amount required to be spent during the year	-	61.74
c) Amount spent during the year	23.66	37.30
d) Closing balance	38.15	14.48

Note:

There is no shortfall in the CSR amount required to be spent by the company as per section 135(5) of the Act for the year ended March 31, 2025.

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32 Income Tax

i Amounts recognized in profit or loss

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax		
In respect of current period/year	98.18	1,042.80
In respect of previous years	-	(121.38)
	98.18	**921.42**
Deferred tax		
Attributable to–		
1) Origination and reversal of temporary timing differences	(405.25)	(911.76)
2) MAT credit entitlement	(58.30)	(287.55)
	(463.55)	**(1,199.31)**
Total tax charge	**(365.37)**	**(277.89)**

ii Income tax recognized in other comprehensive income

Re-measurements of the defined benefit plan		
Income tax relating to items that will not be reclassified to profit or loss relating to remeasurement of defined benefit plans.	16.72	41.92
Hedge reserve and Fair valuation reserve		
Income tax relating to items that will be reclassified to profit or loss relating to remeasurement of hedge reserve account	(24.75)	1,400.44

iii Reconciliation of total tax expense

Particulars	As at March 31, 2026	As at March 31, 2025
Accounting profit before tax	(4,049.34)	(159.58)
Applicable tax rate	34.94%	29.12%
Computed tax expense	**(1,415.00)**	**(46.47)**
Add:		
a. Non Deductible Expenses		
(i) Interest and penalty	3.21	0.15
(ii) CSR Expense	-	17.98
(iii) Gain on sale of Intangible assets	(10.17)	-
(iv) Employee stock option forfeited	2.69	7.90
b. Others		
(i) Impact of carrying value of property, plant, and Equipment.	(137.13)	(124.33)
(ii) Impact of brought forward losses and unabsorbed depreciation	1,798.60	-
(iii) Impact of change in tax rate for the year	(395.78)	-
(iv) Others	(221.96)	(11.74)
c.Tax pertaining to earlier years	-	(121.38)
Tax expense derived	**(375.55)**	**(277.89)**

iv Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

Particulars	As at March 31, 2024	Statement of profit and loss	OCI	As at March 31, 2025	Statement of profit and loss	OCI	As at March 31, 2026
Component of Deferred tax asset / (liability)							
Deferred tax asset / (liability) in relation to:							
a) Difference between written down value of PPE as per books of accounts and income tax	84.69	149.53	-	234.22	31.67	-	265.89
b) Provision for employee benefits	-	41.92	(41.92)	-	16.72	(16.72)	-
c) Hedge impact on borrowings and reserve	289.57	-	(46.65)	242.92	8.00	(328.18)	(77.26)
d) Fair value of loan portfolio	-	-	(1,353.79)	(1,353.79)	183.64	352.93	(817.22)
e) Impairment on financial instruments	1,243.04	1,769.00	-	3,012.04	(1,738.26)	-	1,273.79
f) Unamortised processing charges	(102.29)	128.61	-	26.33	(120.27)	-	(93.95)
g) Carryforward of business loss	-	-	-	-	1,798.60	-	1,798.60
h) Amortisation of transaction cost	-	(518.24)	-	(518.24)	212.93	-	(305.32)
i) MAT credit entitlement	939.44	(287.55)	-	651.89	(58.30)	-	593.59
j) Upfront income recognised on Direct Assignment transactions	(884.74)	(11.09)	-	(895.83)	233.83	-	(662.00)
k) Others	150.59	48.52	-	199.11	(105.00)	-	94.11
Total	**1,720.31**	**1,320.70**	**(1,442.36)**	**1,598.65**	**463.55**	**8.03**	**2,070.23**

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33 **Earnings per share ('EPS')**

Particulars	As at March 31, 2026	As at March 31, 2025
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	(3,683.97)	118.31
Net profit attributable to equity shareholders for calculation of diluted EPS	(3,683.97)	118.31
Shares		
(a) Equity shares at the beginning of the period/year	11,666,477	10,887,144
(b) Shares issued during the period/year	-	779,333
(c) Total number of equity shares outstanding at the end of the period/year	11,666,477	11,666,477
(d) Outstanding compulsorily convertible preference shares	-	-
(e)Weighted average number of equity shares outstanding during the period/year for calculation of basic EPS (c)+(d)	11,666,477	11,666,477
(f) Diluted effect of outstanding stock options	209,814	3,314
(g) Diluted effect of Compulsorily Convertible Preference Shares	-	-
(h) Weighted average number of equity shares outstanding during the period/year for calculation of diluted EPS	11,876,291	11,669,791
Face value per share	100.00	100.00
Earning per share		
Basic	(31.58)	1.01
Diluted	(31.58)	1.01
	Annualised	Annualised

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34 Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	15,120.83	-	15,120.83	27,169.67	-	27,169.67
Bank balance other than cash and cash equivalents	5,542.32	3,971.38	9,513.70	6,090.03	3,145.49	9,235.52
Derivative financial instruments	7,856.71	-	7,856.71	-	674.75	674.75
Receivables	174.59	-	174.59	278.22	-	278.22
Loans	99,954.25	75,077.37	175,031.62	110,090.68	67,651.12	177,741.81
Investments	-	11,382.54	11,382.54	1,963.02	-	1,963.02
Other financial assets	1,277.91	264.14	1,542.05	1,510.40	184.66	1,695.06
Current tax assets (net)	-	872.99	872.99	-	805.40	805.40
Deferred tax assets (net)	-	2,070.23	2,070.23	-	1,598.65	1,598.65
Property, plant and equipment	-	605.13	605.13	-	731.85	731.85
Intangible asset under development	-	162.48	162.48	83.19	-	83.19
Goodwill	-	227.88	227.88	-	227.88	227.88
Other intangible assets	-	1,048.72	1,048.72	-	1,527.44	1,527.44
Right of Use Asset	259.39	439.48	698.87	330.52	796.85	1,127.36
Other non-financial assets	1,624.99	23.92	1,648.91	1,153.01	0.18	1,153.19
Total Assets	**131,810.99**	**96,146.26**	**227,957.25**	**148,668.74**	**77,344.28**	**226,013.01**
Liabilities						
Trade payables						-
-total outstanding dues of micro and small enterprises	-	-	-	5.55	-	5.55
-total outstanding dues of creditors other than micro and small enterprises	481.25	-	481.25	417.43	-	417.43
Debt securities	27,305.99	31,244.11	58,550.10	14,414.30	44,054.95	58,469.24
Borrowings (Other than debt securities)	63,256.96	41,308.48	104,565.44	55,052.36	47,702.85	102,755.21
Subordinated Liabilities	-	19,466.80	19,466.80	1,520.38	12,196.40	13,716.78
Other financial liabilities	4,114.90	858.32	4,973.22	6,220.48	1,083.11	7,303.60
Provisions	797.63	18.75	816.38	193.31	228.19	421.50
Other non-financial liabilities	327.75	-	327.75	508.74	-	508.74
Total Liabilities	**96,284.48**	**92,896.46**	**189,180.94**	**78,332.56**	**105,265.49**	**183,598.05**
EQUITY						
Equity share capital	-	11,666.48	11,666.48	-	11,666.48	11,666.48
Other equity	-	27,109.83	27,109.83	-	30,748.48	30,748.48
Total Equity	**-**	**38,776.31**	**38,776.31**	**-**	**42,414.96**	**42,414.96**
Total Liabilities & Equity	**96,284.48**	**131,672.77**	**227,957.25**	**78,332.56**	**147,680.45**	**226,013.01**



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35 Financial instrument

A Fair value measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions i.e., exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2026 were as follows:

Particulars	Carrying amount		
	Amortised cost	FVTPL	FVOCI
Financial Assets:			
Cash and cash equivalents	15,120.83	-	-
Bank balance other than cash and cash equivalents	9,513.70	-	-
Derivative financial instruments	-	-	7,856.71
Trade Receivables	174.59	-	-
Loans	1,40,968.51	-	34,063.11
Investments	100.27	11,282.27	-
Other financial assets	1,542.05	-	-
Total	**1,67,419.95**	**11,282.27**	**41,919.82**
Financial Liabilities:			
Trade payables	481.25	-	-
Debt securities	58,550.10	-	-
Borrowings (Other than debt securities)	1,04,565.44	-	-
Subordinated Liabilities	19,466.80		
Other financial liabilities	4,973.22	-	-
Total	**1,88,036.81**	-	-

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2025 were as follows:

Particulars	Carrying amount		
	Amortised cost	FVTPL	FVOCI
Assets:			
Cash and cash equivalents	27,169.67	-	-
Bank balance other than cash and cash equivalents	9,235.52	-	-
Derivative financial instruments	-	-	674.75
Trade Receivables	278.22	-	-
Loans	1,21,445.64	-	56,296.17
Investments	1,874.72	88.30	-
Other financial assets	1,695.06	-	-
Total	**1,61,698.83**	**88.30**	**56,970.92**
Liabilities:			
Trade payables	422.98	-	-
Debt securities	58,469.24	-	-
Borrowings (Other than debt securities)	1,02,755.21	-	-
Subordinated Liabilities	13,716.78	-	-
Other financial liabilities	7,303.60	-	-
Total	**1,82,667.81**	-	-

Note:

Fair Value of Assets & Liabilities carried at Amortised Cost in the books are close to the Fair Value and hence are not separately disclosed.

36 Financial risk management objectives and policies

(a) The Company's principal financial liabilities comprise borrowings from banks, financial Institutions and issue of debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, investments and cash and cash equivalents that are derived directly from its operations.

(b) The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established the risk management committee and asset liability committee, which are responsible for developing and monitoring the Company's risk management policies. The committee reports quarterly to the board of directors on its activities.

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

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36 Financial risk management objectives and policies (continued)

(i) Credit risk

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

A. a) Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit behavior of its customer base, which includes various factors such as variations to the household income levels driven by external factors such as natural calamities, pandemics, change in regulations, government policies, geo political tensions, etc.

The Company's exposure to credit risk for loans by type of counterparty is as follows. All these exposures are within India.

Particulars	Carrying Amount	
	As at March 31, 2026	As at March 31, 2025
Term loans	1,80,094.42	1,88,224.84
Less: Impairment loss allowance**	(5,062.80)	(10,483.03)
Total	**1,75,031.62**	**1,77,741.81**

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

b) Staging:

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

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses90 days past due on its contractual payments. For financial assets in stage 1, the impairment is calculated based on defaults that are expected in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL the calculation considers default event for the life span of the instrument.

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

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 Days	Stage 1	12 months provision
31-90 Days	Stage 2	Lifetime provision
90+ Days	Stage 3	Lifetime provision
Loan assets classified as NPA based on the end of the day days past due (DPD) in line with Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time, till entire arrears of interest and principal are paid by the borrower.	Stage 3	Lifetime provision
Any loan account where there has been reported any fraud/ fraudulent activity, on part of the borrower, irrespective of DPD in that borrower account	Stage 3	Lifetime provision
All loan accounts that are death-marked and covered under a portfolio insurance policy shall be classified under Stage 3 if the insurance claim remains unsettled beyond 90 days from the date of freezing, irrespective of their existing stage or DPD status, and shall be considered for write-off.	Stage 3	Lifetime provision

c) Grouping

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

1) North – JLG (Pre Nov'24)
2) North – EL
3) North - Other Products
4) South – JLG(Pre Nov'24)
5) South – EL
6) South - Other Products
7) East – JLG(Pre Nov'24)
8) East – EL
9) East - Other Products
10)North - JLG (Post Oct' 24)
11) South - JLG (Post Oct'24)
12) East - JLG (Post Oct'24)

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36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

d) Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

i. Probability of default ("PD")

ii. Loss given default ("LGD")

iii. Exposure at default ("EAD")

i) Probability of default:

Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle. The base data for the PD framework considers a set of loan account numbers (having outstanding exposure) since Jan 2018 to Dec 2024. The observation period of 2018 to 2024 provides a sufficient history and covers various macroeconomic events and economic cycles.

ii) Loss given default

1) Loss Given Default ("LGD") is defined as the loss rate on the exposure, given the borrower has defaulted. LGD under Ind AS 109 for a facility is dependent upon the characteristics such as presence of collateral, recoveries, direct expenses, and degree of subordination.

2) The computation consists of following components, which are:

a) The recoveries (cash or noncash)

b) The costs (expenses made on the recoveries, The company has taken in this case to be 5% of the recovered amount)

c) the discount factor

3) The formula for the computation is as below:

$$LGD = \frac{EAD + (Expenses\ on\ recovery) - (PV\ of\ recoveries)}{EAD}$$

% Recovery rate = (discounted recovery amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

4)The Company has estimated the loss given default, as a weighted average of the LGD of all default cases including that of written off cases computed using the historical recovery experience.

For the purpose of determining Loss Given Default (LGD), the Company has considered all loans that defaulted between January 2018 and December 2023, with a two-year recovery window until December 2025. An account level LGD has then been computed by deducting the discounted recoveries and adding the expenses on the discounted recovery to the amount of default. This is scaled up to a weighted average LGD for the entire portfolio. Recovery from each loan account is discounted using its own applicable rate of interest.

iii) Exposure at default

i) As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments.

ii) Exposure at default (EAD) is the extent of exposure on each account on the reporting date for Stage 1, 2 & 3 assets. EAD is computed as sum of Principal Outstanding &Accrued Interest (including any overdue interest). Exposure at default for Stage 1 and Stage 2 is adjusted using contracted cashflows to arrive at the Adjusted Exposure at default. No adjustments are made for exposure in Stage 3 as this exposure is already in default.

iii) The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument is subject to 12 months ECL or Lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

e) ECL computation:

ECL at pool level was computed with the following method:

ECL for year = Adjusted EAD* PD * LGD

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarized below:

Particulars	Provisions	As at March 31, 2026	As at March 31, 2025
Stage 1	12 month provision	1,264.20	1,398.93
Stage 2	Life time provision	150.70	304.03
Stage 3	Life time provision	3,647.90	8,780.08
Closing balance of expected credit loss provided for		**5,062.80**	**10,483.03**



36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
ECL allowance - opening balance	**10,483.03**	**4,448.75**
Addition during the year (net of reversals)	7,759.38	7,752.78
Addition during the year on account of Bad Debts	1,308.07	4,148.21
Write offs during the year	(14,487.68)	(5,866.70)
Closing provision of ECL	**5,062.81**	**10,483.03**

Analysis of changes in the gross carrying amount of loans:

Particulars	As at March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,67,308.55**	**5,356.53**	**15,559.76**	**1,88,224.84**
New assets originated *	1,27,999.13	770.74	631.07	1,29,400.94
Asset derecognised or repaid	(1,09,066.76)	(541.21)	1,073.38	(1,08,534.59)
Movement Between Stages				
Transfer from stage 1	(6,505.48)	1,746.73	4,758.75	-
Transfer from stage 2	484.89	(1,382.17)	897.28	-
Transfer from stage 3	129.57	7.03	(136.60)	-
Write offs	(8,372.90)	(4,345.12)	(16,278.75)	(28,996.77)
As at the end of the year	**1,71,977.00**	**1,612.53**	**6,504.89**	**1,80,094.42**

* New assets originated are those assets which have originated during the year

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,76,619.62**	**1,834.29**	**5,528.55**	**1,83,982.46**
New assets originated *	1,29,850.44	2,333.58	2,429.84	1,34,613.86
Asset derecognised or repaid	(1,13,652.22)	(3,210.28)	(3,486.15)	(1,20,348.65)
Movement Between Stages				-
Transfer from stage 1	(22,787.76)	6,484.29	16,303.47	-
Transfer from stage 2	181.53	(580.59)	399.06	-
Transfer from stage 3	711.60	2.86	(714.46)	-
Write offs	(3,614.67)	(1,507.62)	(4,900.54)	(10,022.83)
As at the end of the year	**1,67,308.55**	**5,356.53**	**15,559.76**	**1,88,224.84**

* New assets originated are those assets which have originated during the year

Analysis of changes in the ECL of loans:

As at March 31, 2026

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,398.93**	**304.03**	**8,780.08**	**10,483.03**
New assets originated *	937.59	111.87	703.90	1,753.36
Asset derecognised or repaid	4,213.73	205.71	783.74	5,203.18
Movement Between Stages				-
Transfer from stage 1	(71.88)	17.36	54.53	-
Transfer from stage 2	17.00	(63.33)	46.33	-
Transfer from stage 3	(921.58)	4.28	917.30	-
Write offs	(4,246.60)	(482.08)	(9,759.00)	(14,487.68)
NPA Interest Reversal	-	-	(949.43)	(949.43)
Impact on ECL on account of updates to the ECL model	(62.98)	52.87	3,070.46	3,060.35
As at the end of the year	**1,264.20**	**150.70**	**3,647.90**	**5,062.80**

As at March 31, 2025

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,000.53**	**208.16**	**3,240.06**	**4,448.75**
New assets originated *	1,137.69	166.54	696.49	2,000.72
Asset derecognised or repaid	995.74	811.58	264.81	2,072.13
Movement Between Stages				
Transfer from stage 1	(165.30)	38.46	126.84	-
Transfer from stage 2	136.07	(151.48)	15.41	-
Transfer from stage 3	388.93	1.61	(390.54)	-
Write offs	(2,129.08)	(888.80)	(2,848.83)	(5,866.70)
Impact on ECL on account of updates to the ECL model	34.35	117.95	7,676	7,828.13
As at the end of the year	**1,398.93**	**304.03**	**8,780.08**	**10,483.03**



36 Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

f) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of the aforesaid balances.

g) Analysis of credit concentration risks

The Company's concentrations of risk are managed by counterparty and geography. The maximum credit exposure to any individual client or counterparty as of March 31, 2026 was INR 13.55 Lakhs (March 31, 2025: INR 10 Lakhs)

The following table shows the risk concentration of loan portfolio by geography.

Geography	As at March 31, 2026	As at March 31, 2025
Tamil Nadu	81,405.71	86,779.36
Odisha	13,558.59	14,243.76
Karnataka	16,237.89	16,184.87
Chhattisgarh	7,303.81	7,211.35
Uttarakhand	6,625.88	4,389.40
Jharkhand	13,500.83	12,649.97
Uttar Pradesh	7,545.28	10,699.27
Haryana	4,835.20	5,122.49
Bihar	22,231.08	24,113.06
Punjab	4,481.48	5,442.95
Andhra Pradesh	2,368.67	1,388.36
Total	**1,80,094.42**	**1,88,224.84**

h) Change in accounting estimate

Company has a policy of reviewing ECL model semi-annually. During the current year, the company has made a annual review and made such refinements to the model and assumptions that in its opinion are essential.

B. Cash and cash equivalent and Bank deposits

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

C. Other financial assets and Receivables

This balance is primarily constituted by security deposits and advance to employees. The Company does not expect any losses from non-performance by these counter-parties.

(ii) Liquidity risk

a. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

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

d. Capital adequacy ratio of the Company, as on March 31, 2026 is 24.25% (YE March 31, 2025: 23.92%) against regulatory norms of 15%. Tier I capital is 17.78% (YE March 31, 2025: 17.47%) as against requirement of 10%. Tier II capital is 6.47% (YE March 31, 2025: 6.45%) which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

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36 Financial risk management objectives and policies (Continued)

(ii) Liquidity risk (Continued)

Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Less than 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Non-derivative financial liabilities					
As at March 31, 2026					
Trade Payables	481.25	481.25	-	-	-
Debt Securities	58,550.10	27,306.00	24,473.02	6,771.08	-
Borrowings (Other than Debt Securities)	1,04,565.44	45,666.21	58,851.53	47.70	-
Subordinated Liabilities	19,466.80	-	1,366.63	11,783.42	6,316.75
Other financial liabilities	4,973.22	4,114.90	858.32	-	-
Total	**1,88,036.81**	**77,568.36**	**85,549.50**	**18,602.20**	**6,316.75**
As at March 31, 2025					
Financial Liabilities					
Trade payables	422.98	422.98	-	-	-
Debt Securities	58,469.24	14,953.03	43,516.21	-	-
Borrowings (Other than Debt Securities)	1,02,755.21	57,082.31	39,806.27	5,866.63	-
Subordinated Liabilities	13,716.78	1,950.97	-	8,316.22	3,449.59
Other financial liabilities	7,303.60	6,220.48	1,083.11		
Total	**1,82,667.81**	**80,629.78**	**84,405.59**	**14,182.84**	**3,449.59**

Maturity profile of derivative financial instruments

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis.

Particulars	Carrying amount	Less than 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Derivative financial instruments					
As at March 31, 2026					
Gross settled:					
Cross Currency Interest Rate swaps					
- Receivable / (Payable)	7,189.77	7,189.77	-	-	-
Cross currency swaps					
- Receivable / (Payable)	666.94	666.94	-	-	-
Total	**7,856.71**	**7,856.71**	-	-	-
As at March 31, 2025					
Gross settled:					
Cross Currency Interest Rate swaps					
- Receivable / (Payable)	691.26	691.26	-	-	-
Cross currency swaps					
- Receivable / (Payable)	(16.51)	(16.51)	-	-	-
Total	**674.75**	**674.75**	-	-	-

(iii) Market risk

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

(a) Interest rate risk

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

Sensitivity analysis - Increase/ decrease of 100 basis points

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Debt Securities	(585.10)	585.10	(497.31)	497.31
Borrowings	(1,036.60)	1,036.60	(1,166.68)	1,166.68
Bank Deposits	157.27	(157.27)	197.50	(197.50)
Subordinated Liabilities	(165.92)	165.92	(107.51)	107.51

(b) foreign currency risk

Refer Note 47A. Derivatives



37 Commitments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	-	-

38 Contingent liabilities

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Claims against the Company not acknowledged as debt		
a. Service tax related matters (net of provision)	44.86	44.86

b. The company has introduced a car leasing policy for employees. This policy enables employees to hire a car (a new car of their choice) based on their eligibility. For this purpose, the company has entered into a lease agreement with Sundaram Finance Limited ("SFL") and Orix Leasing & Finance Services India Limited ("OLFSIL"). According to the agreements, the company is not the owner of the asset but holds the car as a bailee. However, the car is registered under the company's name. In case the employee defaults on the lease rent, SFL or OLFSIL shall seize and sell the car to adjust against the same, and the company shall compensate for any losses incurred due to default payment of lease rent.

39 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
	Principal	-	5.55
	Interest	-	-
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

40 Employee benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and employee state insurance scheme, which are defined contribution plans. The Company's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund and employee state insurance for the year aggregated to Rs. 1048.82 lakhs (March 31, 2025: Rs. 753.86 lakhs).



40 Employee benefits (Continued)

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The calculation of the company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

I Details of actuarial valuation of gratuity pursuant to the Ind AS 19

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Change in present value of obligations		
Present value of obligations at the beginning of the year	530.43	586.08
Benefits paid	(106.01)	(129.82)
Current service cost	158.44	210.97
Past service cost	-	-
Interest cost	29.01	39.50
Actuarial (gains) losses recognised in other comprehensive income	19.72	(176.31)
Present value of obligations at the end of the year	**631.59**	**530.43**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	515.30	417.86
Adjustment to Opening Fair Value of Plan Asset	-	24.97
Contributions paid into the plan	15.13	168.22
Benefits paid	(106.01)	(129.82)
Interest Income	30.16	32.34
Return on plan assets recognised in other comprehensive income	(30.16)	1.72
Fair value of plan assets at the end of the year	**424.42**	**515.30**
Net defined benefit liability	**207.17**	**15.13**
C. Expense/ (income) recognised in the statement of profit and loss		
Current service cost	158.44	210.97
Past service cost	-	-
Net interest (income)/expense	(1.16)	7.16
Total	**157.28**	**218.13**
Remeasurements recognised in other comprehensive income		
Actuarial (Gain)/loss on defined benefit obligation	49.89	(178.03)

D. Plan assets

The Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out below. Employees do not contribute to the plan. This plan is funded with SBI.

E. Defined benefit obligation

	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	5.77%	6.42%
Salary escalation	8.84%	8.84%
Expected average remaining service	0.55	0.48
Attrition rate (Past service - PS)	PS : 0 to 5 : 70.23% PS : 5 to 40 : 38.37%	PS : 0 to 5 : 84.44% PS : 5 to 40 : 24.06%
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.

Notes:

a) The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for estimated term of obligation.

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(619.17)	644.63	(514.09)	548.03
Salary escalation rate (1% movement)	640.75	(622.69)	544.29	(517.25)



42B Disclosures pursuant to relevant paragraphs under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, read with Reserve Bank of India (Non-Banking Financial Companies - Credit Risk Management) Directions, as amended from time to time.

Related Party Disclosures

(a) Transactions during the year

Items	Related Party																	
	Parent (as per Ownership or Control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel		Directors		Relatives of Key managerial Personnel		Relatives of Directors		Others		Total	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Borrowings																		
- Received	-	-	-	-	-	-	-	-	-	-	-	10.00	-	-	-	865.00	-	875.00
- Repaid	-	137.29	-	-	-	-	-	-	-	-	40.00	-	-	25.00	-	2,467.45	40.00	2,629.73
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	12.38	-	-	-	-	-	-	-	-	8.58	7.26	-	6.07	4.60	75.58	13.18	101.29
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other's											-	-	-	-				
-Sitting Fee	-	-	-	-	-	-	223.52	237.76	42.00	48.00	-	-	-	-	-	-	265.52	285.76
-Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Proffessional &Consultansy fee	-	2.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.13
-Customization Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.38	-	3.38
-Technology Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	303.44	296.44	303.44	296.44
-Security Deposit Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125.36	-	125.36	-
-Staff Welfare Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.99	4.17	7.99	4.17
-Other Expenses	-	-	-	50.37	-	-	-	-	-	-	-	-	-	-	-	8.43	-	58.80
-Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	223.16	212.69	223.16	212.69
- DPN received and interest accrued	-	-	75.35	-	-	-	-	-	-	-	-	-	-	-	-	-	75.35	-
- Contribution paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.13	-	15.13	-
- Contribution withdrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106.01	-	106.01	-
- Sale of intangible asset	-	-	72.16	-	-	-	-	-	-	-	-	-	-	-	-	-	72.16	-
-Commission Expense	-	-	86.57	-	-	-	-	-	-	-	-	-	-	-	-	-	86.57	-
Total	-	151.79	234.09	50.37	-	-	223.52	237.76	42.00	48.00	48.58	17.26	-	31.07	785.69	3,933.13	1,333.87	4,469.38



42B Disclosures pursuant to relevant paragraphs under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, read with Reserve Bank of India (Non-Banking Financial Companies - Credit Risk Management) Directions, as amended from time to time. (continued)

(b) Outstanding as at the year end

Items	Related Party																	
	Parent (as per Ownership or Control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel		Directors		Relatives of Key managerial Personnel		Relatives of Directors		Others		Total	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Borrowings	-	-	-	-	-	-	-	-	-	-	65.00	75.00	-	-	-	-	65.00	75.00
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125.36	-	125.36	-
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230.31	81.51	230.31	81.51
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.27	-	100.27	-

(c) Maximum outstanding during the year

Items	Related Party																	
	Parent (as per Ownership or Control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel		Directors		Relatives of Key managerial Personnel		Relatives of Directors		Others		Total	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Borrowings	-	-	-	-	-	-	-	-	-	-	65.00	75.00	-	-	-	-	65.00	75.00
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125.36	-	125.36	-
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230.31	81.51	230.31	81.51
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.27	-	100.27	-



43 Segment reporting

Operating segments

The Company's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans. The information relating to this operating segment is reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated and to assess its performance. The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 Operating Segments.

44 Leases

In the cases where assets are taken on operating lease (as lessee)

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises used for operating activities. In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate, at the inception of respective lease contracts and Right of use (ROU) asset is equal to lease liability subject to certain practical expedients as allowed by the standard.

The following is the summary of practical expedients applied as allowed under Ind AS 116:

a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics,
b) Availed the exemption of not to recognize ROU assets and liabilities for leases of low value assets and leases with less than 12 months (short-term lease) of lease term,
c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application as at April 1, 2019 and thereafter;
d) Used hindsight to determine the lease term of contracts.

i) Total lease liabilities are analysed as follows:

Lease liabilities	As at March 31, 2026	As at March 31, 2025
Current	92.98	310.45
Non-current	858.32	1,083.11
Total	**951.30**	**1,393.57**

ii) Amounts recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation charge of right-of-use assets		
Office Premises	224.88	288.96
Total	**224.88**	**288.96**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses) - Refer note 31	433.51	157.35
Interest on lease liabilities (included in finance costs) - Refer note 26	167.31	193.19

iii) Total cash flows for leases and commitments for the short term leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow for leases	939.53	649.50
Total commitments for short-term leases	-	-

iv) The Company had not committed to leases which had not commenced and hence the total future cash outflows for leases that had not yet commence - Nil

v) The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than 1 year	457.74	493.98
Between 1 and 2 years	292.36	433.21
Between 2 and 5 years	259.87	747.18
More than 5 years	114.64	325.40
Total	**1,124.61**	**1,999.77**

vi) Movement in lease liabilities during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	1,393.57	1,260.89
Additions during the year	168.58	431.64
Finance cost incurred during the year	167.31	193.19
Termination of lease and adjustment during the year	(272.14)	-
Payment of lease liabilities	(506.02)	(492.15)
Balance at the year end	**951.30**	**1,393.57**

Note: Refer Note 10B for movement in right of use of assets.

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45 **Disclosure under Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.**

As at March 31, 2026

(i) Loans against gold and silver collateral

Particulars	Loan outstanding		Average ticket size (Rs. Crores)	Average LTV ratio	Gross NPA (%)
	Rs. in Cr	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	2.11	100%	0.00	61%	4%
(a) Consumption loans	0.90	42%	0.00	59%	7%
bullet repayments out of (a)	0.90	42%	0.00	59%	7%
(b) Income generating loans	1.22	58%	0.00	62%	2%
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	4.89	100%	0.01	67%	NA
(c) Consumption loans	1.63	33%	0.01	67%	NA
bullet repayments out of (c)	1.59	33%	0.01	67%	NA
(d) Income generating loans	3.26	67%	0.01	67%	NA
3. Renewals sanctioned and disbursed during the FY	10.37	100%	0.00	66%	NA
4. Top-up loans sanctioned and disbursed during the FY	-	-	-	-	NA
5. Loans repaid during the FY [(e)+(f)]	2.41	100%	0.00	NA	NA
(e) Consumption loans	1.03	42%	0.00	NA	NA
bullet repayments out of (e)	1.02	43%	0.00	NA	NA
(f) Income generating loans	1.39	58%	0.00	NA	NA
6. Non-Performing Loans recovered during the FY [(g) + (h)]	0.09	100%	0.00	NA	NA
(g) Consumption loans	0.06	73%	0.00	NA	NA
bullet repayments out of (g)	0.06	73%	0.00	NA	NA
(h) Income generating loans	0.02	27%	0.00	NA	NA
7. Loans written off during the FY [(i) + (j)]	-	-	-	NA	NA
(i) Consumption loans	-	-	-	NA	NA
bullet repayments out of (i)	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY [(k) + (l)]	11.87	100%	0.00	65%	0%
(k) Consumption loans	4.11	35%	0.00	63%	1%
bullet repayments out of (k)	4.06	34%	0.00	63%	1%
(l) Income generating loans	7.76	65%	0.00	66%	0%

(ii) Details of gold and silver collateral and auctions

Particulars	For the year ended March 31, 2026
(a) Unclaimed gold or silver collateral at the end of the financial year (in grams)	Nil
(b) Number of loan accounts in which auctions were conducted	Nil
(c) Total outstanding in loan accounts mentioned in (b)	NA
(d) Gold or silver collateral acquired during the FY due to default of loans (in grams)	Nil
(e) Gold or silver collateral auctioned during the FY (in grams)	Nil
(f) Recovery made through auctions during the FY (in ₹ crore)	NA
(g) Recovery percentage:	
(1) as % of value of gold or silver collateral	NA
(2) as % of outstanding loan	NA

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As at March 31, 2025

(i) Loans against gold and silver collateral

Particulars	Loan outstanding		Average ticket size (Rs. Crores)	Average LTV ratio	Gross NPA (%)
	Rs. in Cr	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	4.60	100%	0.00	67%	2%
(a) Consumption loans	2.17	47%	0.00	67%	1%
bullet repayments out of (a)	2.17	47%	0.00	67%	1%
(b) Income generating loans	2.43	53%	0.00	67%	1%
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	4.89	100%	0.00	63%	NA
(c) Consumption loans	1.63	31%	0.00	64%	NA
bullet repayments out of (c)	1.59	31%	0.00	64%	NA
(d) Income generating loans	3.26	69%	0.00	63%	NA
3. Renewals sanctioned and disbursed during the FY	1.25	100%	0.00	54%	NA
4. Top-up loans sanctioned and disbursed during the FY	-	-	-	-	NA
5. Loans repaid during the FY [(e)+(f)]	6.32	100%	0.00	NA	NA
(e) Consumption loans	2.89	46%	0.00	NA	NA
bullet repayments out of (e)	2.89	46%	0.00	NA	NA
(f) Income generating loans	3.43	54%	0.00	NA	NA
6. Non-Performing Loans recovered during the FY [(g) + (h)]	0.02	100%	0.00	NA	NA
(g) Consumption loans	0.01	43%	0.00	NA	NA
bullet repayments out of (g)	0.01	43%	0.00	NA	NA
(h) Income generating loans	0.01	57%	0.00	NA	NA
7. Loans written off during the FY [(i) + (j)]	-	-	-	NA	NA
(i) Consumption loans	-	-	-	NA	NA
bullet repayments out of (i)	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY [(k) + (l)]	2.11	100%	0.00	61%	4%
(k) Consumption loans	0.90	42%	0.00	59%	7%
bullet repayments out of (k)	0.90	42%	0.00	59%	7%
(l) Income generating loans	1.22	58%	0.00	62%	2%

(ii) Details of gold and silver collateral and auctions

Particulars	For the year ended March 31, 2025
(a) Unclaimed gold or silver collateral at the end of the financial year (in grams)	Nil
(b) Number of loan accounts in which auctions were conducted	Nil
(c) Total outstanding in loan accounts mentioned in (b)	NA
(d) Gold or silver collateral acquired during the FY due to default of loans (in grams)	Nil
(e) Gold or silver collateral auctioned during the FY (in grams)	Nil
(f) Recovery made through auctions during the FY (in ₹ crore)	NA
(g) Recovery percentage:	
(1) as % of value of gold or silver collateral	NA
(2) as % of outstanding loan	NA

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46 Disclosure under Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.

Capital adequacy ratio

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The below disclosures under Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, as updated, are in accordance with Indian Accounting Standards (IND AS).

i Net Debt to Equity Ratio

Consistent with the others in industry, the company monitors the capital on the basis of gearing ratio (Net debt divided by equity).

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Equity (Including Compulsorily convertible cumulative preference shares)	41,404.29	42,414.96
Debt (Includes debt securities, borrowings and Subordinated liabilities)	179,954.36	174,941.23
Cash and cash equivalents (excluding Bank balance other than cash and cash equivalents)	15,120.83	27,169.67
Bank balance which are lien marked for the purpose of borrowings	7,981.93	8,135.65
Net Debt	**156,851.60**	**139,635.90**
Net Debt to Equity Ratio	**3.79**	**3.29**

ii Regulatory capital

The company has to mandatorily comply with the capital adequacy requirements stipulated by Reserve Bank of India from time to time. Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

Tier I capital comprised of share capital, securities premium, retained earnings including current year profit and Tier II capital comprises of provision on standard assets. Tier 1 and Tier 2 has been reported on the basis of Ind AS financial information. Risk weighted assets represents the weighted sum of company's credit exposures based on their risk.

Particulars	Carrying amount	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Tier I Capital	28,277.36	29,159.21
Tier II Capital	10,282.48	10,761.46
Total Capital	**38,559.84**	**39,920.67**
Amount of subordinated debt raised as Tier-II capital	4,250.00	6,165.00
Risk weighted assets	159,010.83	166,896.17
Tier I Capital Ratio (%)	17.78%	17.47%
Tier II Capital Ratio (%)	6.47%	6.45%
Capital Adequacy Ratio (%)	24.25%	23.92%

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47 Investments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Value of investment		
Gross value of investments		
- In India	13,122.97	1,963.02
- Outside India	-	-
Provisions for investments		
- In India	(1,740.43)	-
- Outside India	-	-
Net value investments		
- In India	11,382.54	1,963.02
- Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	1,740.43	-
Less: Write off/ write back/ reversal of provision during the year	-	-
Closing balance	**1,740.43**	-

47A Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
The notional principal of swap agreements	33,363.64	36,780.31
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the Company upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book (net) (Asset / (Liability))	7,856.71	674.75

b) Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative. The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures:

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of MD/ CFO/ Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures: - Currency derivative

Foreign currency non-repatriate loans availed:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Derivatives (Notional Principal Amount)		
- For hedging	33,363.64	36,780.31
ii) Marked to Market Positions		
a) Asset (+) Estimated gain	7,856.71	674.75
b) Liability (-) Estimated loss	-	-
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

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Dvara Kshetriya Gramin Financial Services Private Limited

Notes to the standalone financial statements for the the year ended March 31, 2026

(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

48 Disclosure under Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.

S.N	Particulars	As at March 31, 2026		As at March 31, 2025	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side:				
	1. Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not				
	(a) Debentures				
	- Secured	57,627.41	-	54,854.90	-
	- Unsecured	1,540.10	-	4,028.08	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	68,843.91	-	83,074.37	
	(d) Inter-Corporate Loans and Borrowings	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-		-
	(g) Subordinated Liabilities	17,232.35		13,871.89	
	(h) Other Loans	39,408.25	-	20,253.17	-
	Note : Above balances are gross of unamortised processing fee.				
	2. Break-up of (1)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-	-	-
	(c) Other public deposits	-	-	-	-

Assets side:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
3. Break-up of Loans and Advances * including Bills Receivables [other than those included in (4) below]:		
(a) Secured	2,299.36	902.94
(b) Unsecured	143,536.22	130,724.23
** Excludes impairment loss allowance*		
4. Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i) Lease Assets including Lease Rentals Accrued and Due:		
a) Financial Lease	-	-
b) Operating Lease	-	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC Activities		
a) Loans where Assets have been Repossessed	-	-
b) Loans other than (a) above	-	-

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48 **Disclosure under Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (Continued)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
5. Break-up of Investments (net of provision for diminution in value):		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and bonds	-	-
iii. Units of Mutual Funds	-	88.30
iv. Government Securities	-	-
v. Others		
a) commercial paper	-	-
II. Unquoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	-	1,874.72
b) units of alternative investment fund	-	-
Long Term Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares		-
a) Equity	100.27	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	-	-
b) security receipts of Asset Reconstruction Company	11,282.27	-
c) share warrants	-	-

6. Borrower Group-wise Classification of Assets Financed as in (3) and (4) above:

Category	As at March 31, 2026 (Net of provisions)		As at March 31, 2025 (Net of provisions)	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	2,299.36	172,732.26	902.94	176,838.87
	2,299.36	**172,732.26**	**902.94**	**176,838.87**

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48 **Disclosure under Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (Continued)**

7. Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)

Category	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2026	Book Value as on March 31, 2026 (Net of provisions)	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2025	Book Value as on March 31, 2025 (Net of provisions)
1. Related Parties				
(a) Subsidiaries	100.27	100.27	-	-
(b) Companies in group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	11,282.27	11,282.27	1,963.02	1,963.02
	11,382.54	**11,382.54**	**1,963.02**	**1,963.02**

8 **Other Information**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i) Gross Non-Performing Assets (stage 3 assets)	-	6,504.90	-	15,559.76
(ii) Net Non-Performing Assets (stage 3 assets)	-	2,857.00	-	6,779.69
(iii) Assets Acquired in Satisfaction of Debt	-	-	-	-

Also refer Note 36

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49A Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities As at March 31, 2026

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks and others	2,101.12	282.53	5,273.50	4,097.85	9,008.87	16,228.27	24,924.53	58,851.53	47.70	0.00	120,815.90
Market borrowings (debt securities)	154.18	69.92	14.70	474.01	625.00	747.95	8,436.07	24,473.02	6,771.08	0.00	41,765.93
Subordinated Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,366.63	11,783.42	4,222.48	17,372.53
Total	**2,255.30**	**352.45**	**5,288.20**	**4,571.86**	**9,633.87**	**16,976.22**	**33,360.60**	**84,691.18**	**18,602.20**	**4,222.48**	**179,954.36**
Assets											
Advances	8,046.27	4,652.31	8,159.42	8,328.25	8,113.55	23,094.46	39,559.98	74,161.74	881.12	34.52	175,031.62
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,382.54	0.00	0.00	11,382.54
Total	**8,046.27**	**4,652.31**	**8,159.42**	**8,328.25**	**8,113.55**	**23,094.46**	**39,559.98**	**85,544.28**	**881.12**	**34.52**	**186,414.16**

Maturity Pattern of certain items of Assets and Liabilities As at March 31, 2025

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks and others	4,644.72	652.36	3,385.12	3,518.34	5,184.66	16,125.50	24,146.99	39,806.27	5,866.63	-	103,330.59
Market borrowings (debt securities)	496.43	540.00	188.03	1,446.16	2,491.06	3,233.71	6,968.73	43,516.21	-	-	58,880.33
Subordinated Liabilities	1,801.58	-	4.86	-	168.81	130.84	-	-	8,316.22	3,449.59	13,871.89
Total	**6,942.72**	**1,192.36**	**3,578.00**	**4,964.50**	**7,844.53**	**19,490.05**	**31,115.72**	**83,322.48**	**14,182.84**	**3,449.59**	**176,082.81**
Assets											
Advances	5,954.27	7,231.79	1,640.36	9,635.79	9,550.15	28,343.38	51,379.16	73,638.72	747.07	58.32	188,179.00
Investments	-	-	1,874.72	-	-	-	88.30	-	-	-	1,963.02
Total	**5,954.27**	**7,231.79**	**3,515.08**	**9,635.79**	**9,550.15**	**28,343.38**	**51,467.46**	**73,638.72**	**747.07**	**58.32**	**190,142.02**

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49B Public disclosure on Liquidity risk management

i. Funding concentration based on significant Counterparty *(both deposits and borrowings)

As at March 31, 2026

Number of significant counterparties	Amount (₹ in Crore)	Total Borrowings (%)	Total Liabilities (%)
17	1,637.95	91.02%	86.58%

As at March 31, 2025

Number of significant counterparties	Amount (₹ in Crore)	Total Borrowings (%)	Total Liabilities (%)
19	1,578.04	90.20%	85.95%

ii. Top 20 large deposits (amount in Rs. in Crore and % of total deposits)

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

iii. Top 10 borrowings (amount in Rs. in Crore and % of total borrowings)

As at March 31, 2026

Amount (Rs in Crore)	Total Borrowings (%)
1,434.40	79.71%

As at March 31, 2025

Amount (Rs in Crore)	Total Borrowings (%)
1,275.83	72.93%

iv. Funding concentration based on significant instrument / product*

As at March 31, 2026

Name of the instrument/ product	Amount (₹ in Cr)	Total liabilities(%)
Secured debentures from others	398.84	21.08%
Secured Bonds from other parties	170.61	9.02%
Term loan from banks	160.40	8.48%
Term loan from others	167.65	8.86%
Securitization borrowings	361.96	19.13%
External commercial borrowings	355.65	18.80%
Debentures	59.07	3.12%
Subordinated term loan from others	109.32	5.78%

As at March 31, 2025

Name of the instrument/ product	Amount (₹ in Cr)	Total liabilities(%)
Secured debentures from others	384.69	20.95%
Secured Bonds from other parties	159.05	8.66%
Unsecured debentures from others	40.20	2.19%
Term loan from banks	296.73	16.16%
Term loan from others	160.77	8.76%
Securitization borrowings	193.16	10.52%
External commercial borrowings	367.80	20.03%
Debentures	19.08	1.04%
Subordinated term loan from banks	15.20	0.83%
Subordinated term loan from others	102.88	5.60%

v. Stock Ratios

As at March 31, 2026

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	3.67%	3.49%	2.89%

As at March 31, 2025

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year)	0.00%	0.00%	0.00%
Other short-term liabilities	4.20%	4.00%	3.25%

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

49B Public disclosure on Liquidity risk management (continued)

vi. Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equity and Other equity.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue.

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50 Disclosure of frauds reported during the year

Particulars	Less than INR 1 Lakh		More than INR 1 Lakh less than INR 25 Lakh		Above INR 25 Lakh		Total	
	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)	Number of Instances	Rs. (in lakhs)
During the year ended March 31, 2026								
Person involved:								
Staff	311.00	37.27	19.00	28.63	-	-	330.00	65.90
Outsiders	-	-	-	-	-	-	-	-
Type of fraud:								
Misappropriation and criminal breach of trust, manipulation of books of accounts, cheating and forgery	311.00	37.27	19.00	28.63	-	-	330.00	65.90
Others	-	-	-	-	-	-	-	-
Total	**311.00**	**37.27**	**19.00**	**28.63**	**-**	**-**	**330.00**	**65.90**
During the year ended March 31, 2025								
Person involved:								
Staff	318.00	38.99	21.00	46.05	1.00	71.00	340.00	156.04
Outsiders	-	-	-	-	-	-	-	-
Type of fraud:								
Misappropriation and criminal breach of trust, manipulation of books of accounts, cheating and forgery	318.00	38.99	21.00	46.05	-	-	340.00	156.04
Forgery with intention to commit fraud by making any false documentation/electric record	-	-	-	-	1.00	71.00	-	-
Others	-	-	-	-	-	-	-	-
Total	**318.00**	**38.99**	**21.00**	**46.05**	**1.00**	**71.00**	**340.00**	**156.04**



51 Exposure to Real estate sector

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Direct Exposure		
i. Residential Mortgages - (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented);	1,067.61	670.94
ii. Commercial Real Estate – (Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family 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)	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential	-	-
b) Commercial Real Estate	-	-

52 Exposure to capital market

The Company's loan portfolio comprises loans extended to individuals and groups of individuals. While certain loans are secured, none of them are secured by shares, bonds, debentures, units of equity-oriented mutual funds, or any other securities covered under the capital market exposure disclosure requirements prescribed by the RBI. Further, the Company's investments during the current and previous years were limited to Pass Through Certificates (PTCs), units of liquid mutual funds, unlisted equity shares, and Security Receipts (SRs) issued by Asset Reconstruction Companies (ARCs). Accordingly, the Company does not have any exposure to the capital market within the meaning of the RBI's capital market exposure disclosure framework, and therefore the related disclosures are not applicable.

53 Disclosures relating to Direct Assignment, Asset Reconstruction Company and Securitisation

53.1 Disclosures pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, in terms of the RBI circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28 November 2025, as amended.

During the year ended March 31, 2026

i) The details of loans (not in default) transferred through direct assignment during the year ended March 31, 2026

Sl no	Particulars	To permitted transferees	To other transferees
1	Aggregate principal outstanding of loans transferred (INR in lakhs)	17,992.57	Nil
2	Weighted average residual tenor of the loans transferred (in months)	15.18	Nil
3	Weighted average holding period after origination (in months)	8.61	Nil
4	Retention of beneficial economic interest	6.47%	Nil
5	Rating-wise distribution of rated Loans	NA	Nil
6	Instances where it has agreed to replace loans transferred to transferee	Nil	Nil
7	Pay damages arising out of any representation or warranty	NA	NA
8	Coverage of Tangible Security Coverage	Nil	NA

ii) The company has not acquired loans (not in default) during the year ended 31st March 2026

iii) The details of stressed loans transferred to ARC, during the year ended March 31, 2026:

S. No.	Particulars	To ARC	
		NPA	SMA
1	No. of accounts	59,971	15080
2	Aggregate principal outstanding of loans transferred (Rs. in lakhs)	18,005.16	5,116.40
3	Weighted average residual tenor of the loan transferred (in	8.79	13.97
4	Net book value of loans transferred (Rs. in lakhs) ^	8,374.44	5,110.14
5	Aggregate consideration (Rs. in lakhs)	15,225.00	
6	Additional consideration realized in respect of accounts transferred in earlier years (Rs. in lakhs)	NA	NA

* The aggregate principal outstanding does not includes consideration for 1,70,992 written off contracts with principal dues of Rs. 28,111.94 lakhs.

^ Net book value includes accrued interest (net of ECL provision)

The Security receipts (SR's) held and recovery ratings assigned to such SR's by the credit rating agency

Particulars	Category of recovery ratings	As at March 31, 2026
Security Receipts issued by CFMARC Trust – 186 (Trust floated by CFM Asset Reconstruction Private Limited)	BWR RR1	8,047.43
Security Receipts issued by CFMARC Trust – 216 (Trust floated by CFM Asset Reconstruction Private Limited)	Rating not yet due	3,234.84

iv) The company has not acquired any stressed loan during the year ended 31st March 2026



53 **Disclosures relating to Direct Assignment, Asset Reconstruction Company and Securitisation (continued)**

During the year ended March 31, 2025

i) Details of Loans (not in default) transferred during the year

Sl no	Particulars	To ARCs	To permitted transferees	To other transferees
1	No. of accounts	Nil	132631	Nil
2	Aggregate principal outstanding of loans	Nil	52456.65	Nil
3	Sale Consideration (INR in lakhs)	Nil	47980.77	Nil
4	Number of Transactions	Nil	10	Nil
5	Weighted average residual tenor of the	Nil	16	Nil
6	Weighted average holding period after	Nil	6.79	Nil
7	Retention of beneficial economic interest	Nil	8.53%	Nil
8	Rating-wise distribution of rated Loans	Nil	NA	Nil
9	Instances where it has agreed to replace	Nil	Nil	Nil
10	Pay damages arising out of any	NA	NA	NA
11	Coverage of Tangible Security Coverage	NA	Nil	NA

ii) The company has not acquired loans (not in default) during the year ended 31st March 2025

iii) The company has not transferred any stressed loans during the year ended 31st March 2025

iv) The company has not acquired any stressed loan during the year ended 31st March 2025

53.2 **Details of securitisation transactions undertaken**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1. No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	13	6
2. Total amount of securitised assets as per books of the SPEs #	42,174.18	22,525.07
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	4,495.56	1,975.37
Others	5,578.82	3,716.44
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
First less	-	-
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	-	-
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation $	-	-
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.***		
Performance of facility provided. Please provide separately for each facility viz. Credit		
(a) Amount paid **	13,843.44	35,797.42
(b) Repayment received ^^	11,920.35	33,952.34
(c) Outstanding amount ^	36,196.28	19,315.92
Servicing fee	9.05	13.00
Average default rate of portfolios observed in the past	Nil	Nil
Amount and number of additional / top up loan given on same underlying asset	Nil	Nil
Investor complaints		
(a) Directly / Indirectly received and;	Nil	Nil
(b) Complaints outstanding	Nil	Nil
Credit enhancement in the form of Loan (8.25% - 12% of pool amount) and cash	10,074.39	5,691.81

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53 Disclosures relating to Direct Assignment, Asset Reconstruction Company and Securitisation (continued)

53.2 Details of securitisation transactions undertaken (continued)

Average default rate of portfolios observed in the past. ##

Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc

Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding

^ Principal outstanding/payable considered under collateralised borrowing from banks arising out of securitisation transaction in financial statement

Principal outstanding of the pool as at the year end

** Principal amount paid to Investor out of the collection made

^^ Principal Collection made from the pool

There were no securitisation/PTC transaction deal undertaken by Company in last 5 year (excluding the current running transaction).

*** Company considers the securitization as one of the mode of fund raising. As this do not meets the criteria for derecognition, the same remains on balance sheet item and the amount received is considered as borrowing. Company remits the interest payable and principal collection from the pool to the lender at periodic intervals as per the agreement.

54 Details of non- performing financial assets purchases / sold

The Company has not purchased or sold any non-performing financial assets during the year, except in connection with transactions undertaken with Asset Reconstruction Companies (ARCs), wherein certain stressed loan assets, including Non-Performing Assets (NPAs) and Special Mention Account (SMA) assets, were transferred. Please refer Note 53.1 for the details of such transfer.

55 Details of financing of Parent Company products

The Company has no exposures in this regard and accordingly disclosures in relation to this is not applicable.

56A Details of Single Borrower Limits (SBL)/ Group Borrower Limits (GBL) exceeded

During the years ended March 31, 2026 and March 31, 2025, the Company complied with the exposure norms prescribed by the Reserve Bank of India relating to Single Borrower Limits and Group Borrower Limits. Accordingly, there were no instances of breach of the prescribed limits during the respective years.

56B Unsecured Advances - Refer Note 7B

57 Advances against Intangible Securities

The Company has not granted any loans or advances against intangible securities during the year. Accordingly, the disclosure requirements relating to advances against intangible securities are not applicable to the Company.

58 Registration/ licence/ authorisation obtained from other financial sector regulators :

Regulator	Registration Number
Ministry of Corporate Affairs	U65991TN1993PTC024547
Reserve Bank of India	B-07-00627
Insurance Regulatory and Development	CA0646

Registration / Licence	Authority issuing the registration	Registration / Licence reference
Certificate of Registration	Reserve Bank of India	B-07-00627 dated March 28, 2019
Certificate of Registration	Insurance Regulatory and Development	CA0646 dated April 25, 2025

59 Penalties imposed by RBI and other regulators

During the financial year 2025–26, no fines or penalties have been imposed by the Reserve Bank of India (RBI) or any other regulatory authorities on the Company except for the below:

Applicable Regulation	Penalty levied by	Reason	Fine levied
Regulation 58 of SEBI (LODR) Regulations, 2015	Bombay Stock Exchange	Non-submission of Annual Report within prescribed timeline	Rs. 70,000/-
Regulation 51 read with Part B of Schedule III of SEBI (LODR) Regulations, 2015	Bombay Stock Exchange	Non-submission of Notice of General Meeting to BSE	Rs. 5,000/-

60 Exposure to Perpetual Debt Instruments (PDI)

The Company does not have any exposure to Perpetual Debt Instruments during the year ended March 31, 2026 and March 31, 2025.

61 Ratings

Particulars	Rating agency	Date of rating	For the year ended March 31, 2026	Date of Rating	For the year ended March 31, 2025
Bank facilities	CARE	3/30/2026	BBB Stable	3/5/2025	BBB+
	CARE-Short term	3/30/2026	A3+	3/5/2025	A2
	CRISIL	7/21/2025	BPB+ Stable	10/9/2024	BBB+
Subordinated debt issue	CRISIL	7/21/2025	BBB+ Stable	10/9/2024	BBB+
	CARE	3/30/2026	BbB Stable	3/5/2025	BBB+
Commercial Paper	CARE	3/30/2026	A3+	3/5/2025	A2
Non-convertible debentures - Long Term	CARE	3/30/2026	BBB Stable	05-03-2025	BBB+
	ACUITE	1/23/2026	A Stable (Provisional)	07-03-2025	-
	CRISIL	7/21/2025	BBB+ Stable	09-10-2024	BBB+
Non-convertible debentures (MLD) - Long Term	CRISIL	-	-	09-10-2024	BBB+



62 **Provisions and contingencies (shown under the head expenditure in the statement of profit and loss)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Impairment on financial assets*	9,070.43	11,900.34
Impairment loss allowance (receivables)	-	35.16
Provision for Income tax	98.18	1,042.80
Provision for gratuity	157.28	218.13
Provision for leave encashment	239.50	167.52

* Includes impairment on financial assets (stage 3) amounting to INR 3647.9 lakhs (March 31, 2025: INR 8780.07 lakhs). Also refer note 36

63 **Draw down from reserves**

The company has not made any drawdown from existing reserves during the year ended March 31, 2026 and March 31, 2025.

64 **Concentration of advances**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total advances to twenty largest borrowers	161.32	162.14
Percentage of advances to twenty largest borrowers to total advances	0.09%	0.09%

65 **Concentration of exposures**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total exposure to twenty largest borrowers	161.32	162.14
Percentage of exposures to twenty largest borrowers to total exposure	0.09%	0.09%

66 **Concentration of NPA Contracts^**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total exposure to top four NPA accounts	21.82	17.09

^ represents stage 3 contracts

67 **Movement of Non-Performing Assets (NPA's)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Net NPAs to net advances (%) (Net of provision for NPAs)	**1.64%**	**3.91%**
(b) Movement of gross NPAs		
Opening balance	15,559.77	5,528.55
Additions during the year	5,160.31	14,804.95
Reductions during the year (Refer note 53.1)	(14,215.18)	(4,773.74)
Closing balance	**6,504.90**	**15,559.77**
(c) Movement of net NPAs		
Opening balance	6,779.70	2,288.49
Additions during the year (net)	2,324.04	6,441.16
Reductions during the year	(6,246.73)	(1,949.96)
Closing balance	**2,857.00**	**6,779.70**
(d) Movement of provisions for NPAs (excluding contingent provisions against standard assets)		
Opening balance	8,780.07	3,240.06
Provisions made during the year	2,836.27	8,363.79
Write-off / write-back of excess provisions	(7,968.45)	(2,823.78)
Closing balance	**3,647.89**	**8,780.07**

Note : NPA contracts represents Stage 3 contracts and the NPA Provision represents the Loss allowance on Stage 3 contracts. This is based on the yearly movement of NPA accounts. The Net advance is arrived at by adding back processing fee and deducting NPA provision to gross loans.

Movement of provisions held towards guarantees		
Opening balance	65.81	76.53
Add: Provisions made during the year	22.14	160.84
Less: Write off/ write back/ reversal of provision during the year	(63.49)	(171.56)
Closing balance	**24.46**	**65.81**

Note : The above disclosure also includes the loss allowance towards undrawn loans.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

68 **Overseas assets (for those with joint ventures and subsidiaries abroad)**

The Company does not own any overseas assets as at the reporting date. Accordingly, the disclosure requirements relating to overseas assets are not applicable.

69 **Off-balance sheet SPVs sponsored**

The Company has not sponsored any Special Purpose Vehicles (SPVs) that are required to be consolidated or disclosed separately in accordance with the applicable accounting standards. Accordingly, there are no off-balance sheet SPVs sponsored by the Company as at the reporting date.

70 **Customer complaints**

	For the year ended March 31, 2026	For the year ended March 31, 2025
Complaints received from the customers		
1. No. of complaints pending at the beginning of the year	-	-
2. No. of complaints received during the year	2,625	4,251
3. No. of complaints disposed during the year	2,620	4,251
3.1. Of which, number of complaints rejected by the NBFC	-	-
4. No. of complaints pending at the end of the year	5	-
Complaints received from the office of ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	5	1
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	5	1
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)	-	-

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
Current year					
Collection related	-	398.00	59%	1.00	1.00
Complaint against	-	223.00	53%	2.00	2.00
Disbursement Related	-	719.00	(269%)	2.00	2.00
HR Related	-	-	100%	-	-
Insurance & NPS	-	741.00	13%	-	-
Loan related	-	494.00	66%	-	-
Mitra Application	-	46.00	81%	-	-
Product Related	-	4.00	80%	-	-
Grand Total	-	**2,625.00**		**5.00**	**5.00**
Previous year					
Collection related	-	971.00	539%	-	-
Complaint against staff	-	472.00	219%	-	-
Disbursement Related	-	195.00	(52%)	-	-
HR Related	-	42.00	320%	-	-
Insurance & NPS	-	852.00	71%	-	-
Loan related	-	1,457.00	54%	-	-
Mitra Application	-	242.00	27%	-	-
Product Related	-	20.00	(33%)	-	-
Grand Total	-	**4251.00**	-	**0.00**	**0.00**

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 018

71 Sector-wise NPAs (Percentage of NPA's to total advances in that sector)

Sectors	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
i)Dairy Loan	370.79	11.45	3.09%	355.13	22.24	6.26%
ii)Agricultural-cultivation	286.91	11.25	3.92%	322.71	24.25	7.52%
iii)Others	48.62	6.45	13.27%	77.50	12.93	16.68%
Total of Agriculture and allied activities (i+ii+iii)	**706.33**	**29.16**	**4.13%**	**755.34**	**59.42**	**7.87%**
2. Industry						
i)Expansion of existing business / setting additional business	300.23	18.89	6.29%	324.72	43.09	13.27%
ii)Purchase of additional stock / raw material	193.99	7.01	3.61%	197.30	9.81	4.97%
iii)Others	10.86	2.17	19.98%	25.50	7.04	27.60%
Total of Industry (i+ii+iii)	**505.07**	**28.07**	**5.56%**	**547.52**	**59.95**	**10.95%**
3. Services						
i)Cloth Shop	-	-	0.00%	5.42	1.32	24.33%
ii)Others	4.64	1.56	33.72%	13.04	4.46	34.21%
Total of Services (i+ii)	**4.64**	**1.56**	**33.72%**	**18.46**	**5.78**	**31.31%**
4. Personal Loans						
i) Household expenses	251.89	1.70	0.67%	227.60	15.01	6.60%
ii) Education-School/College	151.45	1.64	1.08%	96.10	5.36	5.57%
iii) Construction/purchase/repair House	83.80	1.06	1.27%	48.09	2.94	6.11%
iv) Loans for safe water and sanitation	64.11	1.19	1.86%	45.49	5.57	12.24%
v) Others	33.66	0.67	1.99%	143.65	1.57	1.09%
Total of Personal loans (i-v)	**584.91**	**6.26**	**1.07%**	**560.93**	**30.45**	**5.43%**
Total (1+2+3+4)	**1,800.94**	**65.05**	**3.61%**	**1,882.25**	**155.60**	**8.27%**

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 178

72 Disclosure under Regulation 53 read with Schedule V of SEBI (LODR) Regulations, 2015

Particulars	As at March 31, 2026	As at March 31, 2025
a) Loans and advances in the nature of loans to subsidiaries	-	-
b) Loans and advances in the nature of loans to associates	-	-
c) Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-

73 Disclosure under Regulation 54 read with Schedule V of SEBI (LODR) Regulations, 2015

In respect of its listed non-convertible debt securities, the company has maintained one hundred per cent security cover or higher security cover as per the terms of the Debenture Trust Deed required under Regulation 54 of the SEBI (LODR) Regulations 2015.

74 Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time.

As at March 31, 2026

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	171,977.00	1,264.20	170,712.80	688.13	576.07
	Stage 2	1,612.54	150.71	1,461.83	6.45	144.26
Sub total		**173,589.53**	**1,414.91**	**172,174.63**	**694.58**	**720.33**
Non Performing Assets (NPA)						
Sub-standard	Stage 3	5,034.81	2,763.30	2,271.51	1,256.25	1,507.05
Doubtful < 1 year	Stage 3	1,463.74	881.36	582.38	1,456.39	(575.03)
1 - 3 years	Stage 3	2.16	1.10	1.06	2.16	(1.06)
>3 years	Stage 3	4.18	2.13	2.05	4.18	(2.05)
Loss Assets	Stage 3	-	-	-	-	-
Subtotal		**6,504.89**	**3,647.90**	**2,857.00**	**2,718.99**	**928.91**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
Total	Stage 1	171,977.00	1,264.20	170,712.80	688.13	576.07
	Stage 2	1,612.54	150.71	1,461.83	6.45	144.26
	Stage 3	6,504.89	3,647.90	2,857.00	2,718.99	928.91
Total		**180,094.43**	**5,062.80**	**175,031.62**	**3,413.57**	**1,649.23**

In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated March 13, 2021 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning as at March 31, 2026 and accordingly, no amount is required to be transferred to impairment reserve.)

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time.

As at March 31, 2025

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	167,308.55	1,398.93	165,909.62	669.23	729.70
	Stage 2	5,356.53	304.03	5,052.50	21.43	282.60
Sub total		**172,665.08**	**1,702.96**	**170,962.12**	**690.66**	**1,012.30**
Non Performing Assets (NPA)						
Sub-standard	Stage 3	15,408.35	8,595.31	6,813.04	3,851.38	4,743.93
Doubtful < 1 year	Stage 3	60.37	132.26	-71.90	57.71	74.55
1 - 3 years	Stage 3	2.56	1.48	1.08	1.84	(0.36)
>3 years	Stage 3	88.48	51.02	37.47	88.48	(37.46)
Loss Assets	Stage 3	-	-	-	-	-
Subtotal		**15,559.76**	**8,780.07**	**6,779.69**	**3,999.41**	**4,780.66**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
Total	Stage 1	167,308.55	1,398.93	165,909.62	669.23	729.70
	Stage 2	5,356.53	304.03	5,052.50	21.43	282.60
	Stage 3	15,559.76	8,780.07	6,779.69	3,999.41	4,780.66
Total		**188,224.84**	**10,483.03**	**177,741.81**	**4,690.07**	**5,792.96**

75 **i) Disclosure as per formal prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 dtAugust 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 05th May 2021 in respect of Resolution Framework I and Resolution Framework II, respectively, for Covid Related stress.** - Nil

76 **Disclosure under Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.**

Particulars	As at March 31, 2026	As at March 31, 2025
a) Quantum of Co-Lending Arragements (CLAs)	20,630	20,630
b) Weighted average rate of interest	9.20%	9.20%
c) Fees charged	29.97	483.06
d) Fees paid	-	-
e) Broad sectors in which CLA was made	Financial Sector (Bank & NBFC)	Financial Sector (Bank & NBFC)

77 **Business acquisition - Business Transfer Agreement with Dvara KGFS Digital Services Private Limited (Formerly known as "Saija Finance Private Limited")**

The Company owned a 25.9% stake in the Equity of Dvara KGFS Digital Services Private Limited ("DKGFS Digital").

During the financial year, the Company acquired 2,57,41,278 equity shares of Dvara KGFS Digital Services Private Limited from a shareholder on December 10, 2025. Consequent to the acquisition, the Company's shareholding in Dvara KGFS Digital Services Private Limited increased to 54.80% on an undiluted basis.

Accordingly, Dvara KGFS Digital Services Private Limited ceased to be an associate and became subsidiary w.e.f. November 28, 2026.



78 Transfer of Digital Business Undertaking

During the financial year, the Company transferred its digital business undertaking to Dvara KGFS Digital Services Private Limited pursuant to a Business Transfer Agreement ("BTA") executed on November 28, 2025. The transfer was undertaken by way of a slump sale on a going-concern basis for a lump-sum consideration of Rs. 72.16 lakhs through Demand Promissory Note.

The digital business undertaking transferred comprised the Company's digital services platform, associated technology infrastructure, software applications, and related assets and liabilities forming part of the Company's digital business operations. Consequent to the completion of the transaction, the Company derecognised the assets and liabilities pertaining to the transferred undertaking in accordance with the applicable Indian Accounting Standards.

79 Audit Log

The Company maintains its books of account using accounting software that includes an audit trail (edit log) feature capable of capturing each transaction and any changes made to such transactions. This feature was enabled and operated throughout the financial year at the application level for all transactions recorded in the accounting software. The audit trail (edit log feature) has not been tampered with during the year.

For the audit trail at the database level:

(i) The audit trail functionality for the Loan Origination System (LOS) and Finezy (payment processing application) was not enabled during the year;

(ii) The audit trail feature for the Loan Management System (LMS) was enabled from December 16, 2025.

80 Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

81 Analytical Ratios

Ratios	Numerator	Denominator	For the year ended March 31, 2026	For the year ended March 31, 2025	% Variance	Reason for Variance (if above 25%)
Capital Risk Adequacy Ratio (CRAR)	38,559.84	159,010.83	24.25%	23.92%	1.38%	NA
Tier-I CRAR	28,277.36	159,010.83	17.78%	17.47%	1.78%	NA
Tier-II CRAR	10,282.48	159,010.83	6.47%	6.45%	0.29%	NA
Liquidity Coverage Ratio*	NA	NA	NA	NA	NA	NA

*Liquidity coverage ratio is not applicable to the Company as it is a non-deposit-taking NBFC with an asset size below ₹5,000 crore, in accordance with Annex B, Para 1 of RBI Circular RBI/2019-20/88 dated November 4, 2019

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Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

82 Other statutory disclosures

a) The borrowings from banks and financial institutions have been used for the purposes for which it was taken as at the balance date.

b) The Company does not have any Benami property where any proceeding has been initiated or pending against the company to holding any Benami property.

c) The Company does not have any transactions with Struck-off companies during the year ended March 31, 2026 and March 31, 2025.

d) The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign (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.

g) The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with to understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any of relevant provisions of the Income Tax Act, 1961

i) There were no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) during the year.

j) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.

k) The Company did not have any long-term contract including derivative for which there were any material foreseeable losses.

83 Labour Codes

On November 21, 2025, the Government of India notified the four Labour Codes: the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 existing labour laws. The Ministry of Labour & Employment has also published draft Central Rules and FAQs to facilitate assessment of the impact arising from the revised regulatory framework. Based on the draft rules issued and the guidance provided by the Institute of Chartered Accountants of India, the Company has carried out a detailed evaluation of the potential implications of the Labour Codes, including the revised definition of wages, on its employee benefit obligations. Based on such assessment, the Company has determined that the implementation of the Labour Codes does not result in any material impact on the Statement of Profit and Loss for the period. The Company continues to monitor the finalisation of the Central and State Rules and any further clarifications issued by the Government. Any impact, if arising pursuant to such developments, will be evaluated and accounted for in accordance with the applicable accounting standards.

84 Previous period's figures have been regrouped / reclassified wherever necessary, to confirm with the current period

As per our report of even date
for Sharp & Tannan
Chartered Accountants
Firm's registration number: 003792S

P Rajesh Kumar
Partner
Membership No. 225366

Place : Chennai
Date : May 13, 2026

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U65991TN1993PTC024547

Samir Amrit Shah
Director & Chairman
DIN: 00912693
Place : Chennai

LVLN Murty
MD & CEO
DIN : 09618861
Place : Chennai

Abhik Sarkar
Chief Financial Officer
Place : Chennai
Date : May 13, 2026

Aravinthan B
Company Secretary
Membership No. A76929
Place : Chennai

Parsn Manere, A wing, 3rd Floor
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Tamil Nadu, India
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www.sharpandtannan.com

SHARP & TANNAN
chartered accountants

Independent Auditor's Limited Review Report on standalone unaudited financial results of Dvara Kshetriya Gramin Financial Services Private Limited for the quarter ended 30 June 2026

To
The Board of Directors of Dvara Kshetriya Gramin Financial Services Private Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Dvara Kshetriya Gramin Financial Services Private Limited ('the Company') for the quarter ended 30 June 2026 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time, applicable to the Company ('RBI guidelines') and other accounting principles generally accepted in India and is in compliance with Regulation 52 of the Listing Obligations.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, RBI guidelines and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajeshkumar

Rajesh Kumar P
Partner
Membership No. 225366
UDIN: 26225366RVPUYO8069

Place: Chennai
Date: 12 August 2026

Dvara Kshetriya Gramin Financial Services Private Limited

CIN: U65991TN1993PTC024547

Regd. Office: 10th Floor, E Block, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113

Statement of unaudited standalone financial results for the quarter ended June 30, 2026

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

	Particulars	Quarter Ended			Year Ended
		30-Jun-2026	31-Mar-2026	30-Jun-2025	31-Mar-2026
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	**Revenue from operations**				
	Interest income	11,709.06	11,294.89	11,263.95	46,954.12
	Fees and commission income	293.64	356.71	301.79	1,071.11
	Net gain on fair value changes	34.77	29.63	115.55	280.96
	Net gain on derecognition of financial instruments	304.79	-	-	1,851.78
	Total revenue from operations	**12,342.26**	**11,681.23**	**11,681.29**	**50,157.97**
2	Other income	144.55	19.15	32.00	201.70
	Total income	**12,486.81**	**11,700.38**	**11,713.29**	**50,359.67**
3	**Expenses**				
	Finance costs	6,314.55	5,748.71	6,038.09	23,369.30
	Fees and commission expense	145.09	135.42	115.83	399.32
	Impairment on financial instruments	2,528.86	1,691.47	4,344.70	10,326.82
	Employee benefits expenses	4,126.76	3,880.70	3,337.14	14,595.17
	Depreciation and amortization expenses	324.50	246.99	193.55	1,038.78
	Other expenses	993.57	1,162.64	1,730.27	4,679.62
	Total expenses	**14,433.33**	**12,865.93**	**15,759.59**	**54,409.01**
4	**Profit / (Loss) before tax (1+2-3)**	**(1,946.52)**	**(1,165.55)**	**(4,046.30)**	**(4,049.34)**
5	**Tax expense**				
	Current tax				
	-Current year tax	8.75	98.18	431.32	98.18
	-Deferred tax charge / (benefit)	(469.25)	755.02	(1,538.86)	(463.55)
	Total tax expense	**(460.50)**	**853.20**	**(1,107.54)**	**(365.37)**
6	**Profit / (Loss) for the period / year (4-5)**	**(1,486.02)**	**(2,018.75)**	**(2,938.76)**	**(3,683.97)**
7	**Other comprehensive income**				
	A (i) Items that will not be reclassified to profit or loss				
	- Remeasurement gain / (loss) on defined benefit plans	16.61	102.74	(192.59)	66.42
	(ii) Income tax impact thereon	(4.18)	(29.41)	56.08	(16.72)
	Net other comprehensive income not to be reclassified subsequently to profit or loss	**12.43**	**73.33**	**(136.51)**	**49.70**
	B (i) Items that will be reclassified to profit or loss				
	- Hedge reserve account (net)	(196.29)	2,279.11	(664.26)	1,303.86
	- Fair Valuation Reserve (net)	886.54	(460.56)	515.98	(1,402.19)
	(ii) Income tax impact thereon	(173.73)	(645.08)	43.18	24.75
	Net other comprehensive income to be reclassified subsequently to profit or loss	**516.51**	**1,173.47**	**(105.10)**	**(73.57)**
	Other comprehensive income / (Loss) (A+B)	**528.94**	**1,246.80**	**(241.61)**	**(23.87)**
8	**Total comprehensive Income / (Loss) for the period / year (6+7)**	**(957.08)**	**(771.95)**	**(3,180.37)**	**(3,707.84)**
9	**Paid-up equity share capital**				11,666.48
	(Face value of Rs. 100 each)				
10	**Other Equity**				27,109.83
11	**Earnings per equity share**				
	(Face value Rs.100 each)				
	- Basic (in Rs.)	(12.74)	(17.31)	(25.19)	(31.58)
	- Diluted (in Rs.)	(12.74)	(17.31)	(25.19)	(31.58)
		Not annualised	Not annualised	Not annualised	Annualised

See accompanying notes to the Financial Results for the quarter ended June 30, 2026

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

Dvara Kshetriya Gramin Financial Services Private Limited
CIN: U65991TN1993PTC024547
Regd. Office: 10th Floor, E Block, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113
Unaudited - Annexure A

A) Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time.

Sl. no.	Particulars	Quarter ended 30-Jun-2026
1	Debt equity ratio (times) (refer note a)	4.17
2	Debt service coverage ratio (Refer note c)	Not applicable
3	Interest service coverage ratio (Refer note c)	Not applicable
4	Outstanding redeemable preference shares (in quantity and value)	NIL
5	Capital redemption reserve (Refer note f) (Rs. in Lakhs)	NIL
6	Debenture redemption reserve (Refer note f) (Rs. in Lakhs)	NIL
7	Net worth (Rs. in Lakhs) (Refer note b)	40,460.24
8	Net profit after tax (Rs. in Lakhs)	(1,486.02)
9	Earnings per share (of Rs. 100 each)	
(i)	- Basic (Rs.)	(12.74)
(ii)	- Diluted (Rs.)	(12.74)
10	Current ratio (Refer note c)	Not applicable
11	Long term debt to working capital (Refer note c)	Not applicable
12	Bad debts to accounts receivable (Refer note c)	Not applicable
13	Current liability ratio (Refer note c)	Not applicable
14	Total debt to total assets (Refer note d)	78.28%
15	Debtors turnover (Refer note c)	Not applicable
16	Inventory turnover ratio(Refer note c)	Not applicable
17	Operating margin (Refer note c)	Not applicable
18	Net profit ratio (Refer note e)	(11.90%)
19	Sector specific ratios :-	
(i)	Gross stage III % (Refer note h)	3.02%
(ii)	Net stage III % (Refer note i)	1.24%
(iii)	Provision coverage ratio (Refer note j)	59.73%
(iv)	Capital risk adequacy ratio (Refer note g)	24.30%

(a) Debt equity ratio ((Borrowings + Debt securities + Subordinated Liabilities excluding Compulsory Convertible Preference Shares ("CCPS")) / Net Worth).

(b) Net Worth = Equity Share Capital + Other Equity (including Capital Reserve) + CCPS
(For the purpose of preparation of the financial statements as per Ind AS, CCPS has been presented as a subordinated liability; however, for the purpose of computing Debt Equity ratio, CCPS has been considered as part of Net Worth)

(c) The company is a Non-Banking Finance Company (NBFC) registered under the Reserve Bank of India Act 1934; hence these ratios are not applicable.

(d) Total debt to total assets = (Debt Securities + Borrowings (other than Debt Securities) + subordinated Liabilities excluding CCPS)/ Total Assets.

(e) Net profit ratio = Net profit after tax/ Total income.

(f) Capital / Debenture Redemption Reserve: Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.

(g) Capital to risk-weighted assets ratio is calculated as per the RBI guidelines.

(h) Gross Stage III % = Gross Stage III Loans Exposure At Default ("EAD") / Total Loans EAD. EAD includes the loan balance and interest thereon. Stage III loans are determined as per the IND AS guidelines.

(i) Net stage III % = (Gross stage III loans EAD - Impairment loss for stage III)/(Total loans EAD- Impairment loss for stage III).

(j) Provision coverage ratio = Impairment loss for stage III / Gross stage III loans EAD

B) Disclosure in compliance to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time

The listed Non-Convertible Debentures of the company are secured by an exclusive charge on the Receivables (Loans) and Cash and cash equivalents of the company. The total security cover is **1.11** times of the principal and interest thereon, wherever applicable.

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

Dvara Kshetriya Gramin Financial Services Private Limited
CIN: U65991TN1993PTC024547

Notes to the statement of unaudited standalone financial results for the quarter ended June 30, 2026

1 Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") is a Non-Deposit taking Non-Banking Financial Company-Middle Layer (NBFC-ML) registered with the Reserve Bank of India ("the RBI").

2 The statement of unaudited standalone financial results for the quarter ended June 30, 2026, has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 11, 2026, and August 12, 2026. These unaudited standalone financial results have been subjected to a limited review by the statutory auditors of the Company, and the auditors have issued an unmodified review conclusion.

3 The above unaudited standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Any application guidance, clarifications, or directions issued by the Reserve Bank of India or other regulators are implemented as and when they become applicable.

4 The Company is primarily engaged in the business of financing and, accordingly, there are no separate reportable segments identified as per Ind AS 108 – Operating Segments. The Company operates in a single geographical segment, i.e., domestic.

5 During the quarter ended June 30, 2026, the Company technically wrote off gross term loans amounting to exposure at default (EAD) of Rs. 3209.25 lakhs. The Company carried a provision for Expected Credit Loss ("ECL") of Rs. 1,874.48 lakhs against the loans written off during the quarter.

6 Owing to the stress currently being witnessed in the financial inclusion sector, there has been a substantial increase in delinquencies across the industry. As a result, the Company has not complied with certain covenants as at June 30, 2026, and is in discussions with the respective lenders for condonation of the non-compliance. As of the date of these standalone financial results, none of the lenders has raised any material concerns, and therefore, no adjustments are required in these financial results.

7 Disclosures in compliance with regulation 52 (4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for the quarter ended June 30, 2026, are provided in Annexure A.

8 During the quarter ended June 30, 2026, pursuant to the Dvara KGFS Employee Stock Option Plan 2024, the Board of Directors allotted 70,300 stock options to eligible employees at an exercise price of Rs. 462.00 per option, comprising a face value of Rs. 100 and a premium of Rs. 362 per share.

9 Disclosures pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 in terms of the RBI circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26

i) The details of loans (not in default) transferred through direct assignment during the quarter ended June 30, 2026

S. No.	Particulars	To permitted transferees	To other transferees
1	Aggregate principal outstanding of loans transferred (Rs. in lakhs).	3,618.77	Nil
2	Weighted average residual tenor of the loans transferred (in months).	15.49	Nil
3	Weighted average holding period after origination (in months).	10.52	Nil
4	Retention of beneficial economic interest	10.00%	Nil
5	Rating-wise distribution of rated Loans.	NA	Nil
6	Instances where it has agreed to replace loans transferred to transferee.	Nil	Nil
7	Pay damages arising out of any representation or warranty	NA	NA
8	Coverage of Tangible Security Coverage.	Nil	NA

ii) The company has not acquired loans (not in default) during the quarter ended June 30, 2026

iii) The company has not transferred any stressed loans during the the quarter ended June 30, 2026:

The Security receipts (SR's) held as on June 30,2026 and recovery ratings assigned to such SR's by the credit rating agency is as follows:

Particulars	Category of recovery ratings	As at June 30, 2026 (Rs. In lakhs)
Security Receipts issued by CFMARC Trust – 186 (Trust floated hy CFM Asset Reconstruction Private Limited)	BWR RR1	7,817.65
Security Receipts issued by CFMARC Trust – 216 (Trust floated hy CFM Asset Reconstruction Private Limited)	Rating not yet due	3,234.84

iv) The company has not acquired any stressed loan during the quarter ended June 30, 2026

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

10 On November 21, 2025, the Government of India notified the four Labour Codes: the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 existing labour laws. The Ministry of Labour & Employment has also published draft Central Rules and FAQs to facilitate assessment of the impact arising from the revised regulatory framework. Based on the draft rules issued and the guidance provided by the Institute of Chartered Accountants of India, the Company has carried out a detailed evaluation of the potential implications of the Labour Codes, including the revised definition of wages, on its employee benefit obligations. Based on such assessment, the Company has determined that the implementation of the Labour Codes does not result in any material impact on the Statement of Profit and Loss for the period. The Company continues to monitor the finalisation of the Central and State Rules and any further clarifications issued by the Government. Any impact, if arising pursuant to such developments, will be evaluated and accounted for in accordance with the applicable accounting standards.

11 The figures for the quarter ended March 31, 2026, are the balancing figures between the audited figures in respect of the year ended March 31, 2026, and the published year-to-date figures up to the nine months ended December 31, 2025.

12 The comparatives for previous periods have been regrouped/reclassified wherever necessary to conform to the current period presentation.

LVLN Murty
Managing Director & CEO
DIN : 09618861

Place : Chennai
Date : August 12, 2026

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

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SHARP & TANNAN
chartered accountants

To
The Board of Directors,
Dvara Kshetriya Gramin Financial Services Private Limited

Independent auditor's report on the Statement of Information required by the Debenture Trustees as at 30 June 2026

1. We have been requested by the Management of Dvara Kshetriya Gramin Financial Services Private Limited (hereinafter the "Company") to examine the accompanying Statement containing the details of the 'Security cover as per the terms of offer document / information memorandum and debenture trust deeds (as mentioned in Annexure I of the accompanying statement) and compliance with covenants for listed non-convertible debt securities as at 30 June 2026 (as mentioned in Annexure II of the accompanying statement)' (hereinafter collectively referred to as the "Statement') which has been prepared by the Company from the unaudited financial results and other relevant records and documents maintained by the Company as at and for the quarter ended 30 June 2026 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter "the SEBI Regulations"), and SEBI Master Circular SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated 13 August 2025 ("the SEBI Circular"). The Statement has been signed by us for identification purpose only.

   This Report is required by the Company for the purpose of submission to IDBI Trusteeship Services Private Limited and Catalyst Trusteeship Private Limited (hereinafter the "Debenture Trustees") to ensure compliance with the SEBI Regulations in respect of its listed non-convertible debt securities & listed USD denominated bonds having face value of Rupees 522.08 Crores ('Debentures'). The Company has entered into agreements with the Debenture Trustees in respect of such debentures. The amount outstanding as at 30 June 2026 is Rupees 485.07 Crores.

Management's responsibility

2. The preparation of the Statement is the responsibility of the Management of the Company (the 'Management'), including the creation and maintenance of all accounting and other relevant records and documents supporting its contents, including the appropriateness of the basis for its preparation furnished as notes in the Statement.

3. The Management is also responsible for ensuring, that the Company complies with all the relevant requirements of the SEBI Regulations and the SEBI Circular, for providing all relevant information to the debenture trustees and for complying with all the covenants including financial covenants as prescribed in the Debenture Trust Deeds entered between the Company and the Debenture Trustees ("Trust Deeds") with respect to the non-convertible debentures issued by the Company.

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4. The Management is further responsible for the designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Statement, applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management is also responsible for ensuring flagging/tagging/earmarking of the loan pool provided for the charge in favour of these debt securities.

Auditor's responsibility

5. Pursuant to the requirements of the SEBI Regulations and the Circular, it is our responsibility to provide a limited assurance as to whether.

   a) the financial information along with notes disclosed in the Statement, in all material respects, have been accurately extracted from the unaudited financial results, books of account and other relevant records of the Company for the quarter ended 30 June 2026; and

   b) the Company is in compliance with the covenants in the Trust Deeds as at 30 June 2026, where applicable.

6. We have reviewed the unaudited the financial results of the Company for the quarter ended 30 June 2026 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended ('the Act'), read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India and issued an unmodified review conclusion vide our limited review report dated 12 August 2026.

7. Our review of the above-mentioned unaudited financial results was conducted in accordance with the Standards on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. A review may bring significant matters affecting the unaudited financial results to the Auditor's attention, but it does not provide all the evidence that would be required in an audit.

8. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts, or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.

S&T

10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in the above paragraphs. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:

    a) Traced and agreed the amount of the listed non-convertible debt securities outstanding as at 30 June 2026 from the Statement to the unaudited financial results and books of account of the Company.

    b) Traced the value of assets and other liabilities from the Statement to the unaudited financial results and books of account as at 30 June 2026

    c) With respect to compliance with financial covenants in the Trust Deeds, we have examined the Trust Deeds, books of account and other records maintained by the Company for the quarter ended 30 June 2026.

    d) Made necessary inquiries with the Management and obtained necessary representations.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements'.

Basis for conclusion

12. We have relied upon management representations on the completeness of covenants furnished in the final statement of the covenants provided to us for our verification.

Conclusion

13. Based on the nature and extent of procedures carried out by us as mentioned above, and the information and explanations given to us by the Management, read together with the notes thereto and subject to our comments in paragraphs 10 & 11 given in 'Basis for conclusion' section above, nothing has come to our attention that causes us to believe that:

    a) the financial information along with notes disclosed in the accompanying Statement, in all material respects, have not been accurately extracted from the unaudited financial results, books of account and other relevant records of the Company for the quarter ended 30 June 2026; and

    b) the Company is not in compliance with the covenants in the Trust Deeds except for those stated in Annexure II of the Statement with respect to non-convertible debentures as at 30 June2026, where applicable.

S&T

Restriction on use and distribution

14. Our work was performed solely to assist you in meeting your responsibilities in relation to submission of the report to Debenture Trustee and Stock Exchange. Our obligations in respect of this report are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

15. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 1 and for submission to Debenture Trustees. Our report should not be used for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

for **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

P Rajesh Kumar

P Rajesh Kumar
Partner
Membership no. 225366
UDIN: 26225366KISMYA1717

Certificate No.: C/DKGFSPL/18151
Place: Chennai
Date: 12 August 2026

Dvara Kshetriya Gramin Financial Services Private Limited

Annexure I – Statement of Security Cover as at June 30, 2026

Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column H1	Column I viii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Debt not backed by any assets offered as security(Clause 1.9 of SEBI DT master Circular dated August 13, 2025.	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in column F)			debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For E.g. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For E.g. Bank Balance, DSRA market value is not	Total Value(=K+L +M+ N)
													Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS								-							
Property, Plant and Equipment				No			577.76	-		577.76					
Capital Work-in-Progress				No			-	-		-					
Right of Use Assets				No			686.27	-		686.27					
Goodwill				No			227.88	-		227.88					
Intangible Assets				No			952.13	-		952.13					
Intangible Assets under Development				No			179.96	-		179.96					
Investments				No			11,152.76	-		11,152.76					
Loans	Book debts Receivable	54,543.46	66,803.54	No			47,428.45	-		1,68,775.45		54,543.46			54,543.46
Inventories				No			-	-		-					
Trade Receivables				No			243.27	-		243.27					
Cash and Cash Equivalents		-	-	No			7,297.25	-		7,297.25		-			-
Bank Balances other than Cash and Cash Equivalents			9,424.89	No			3,205.98	-		12,630.87					
Others				No			13,502.58	-		13,502.58					
Total		54,543.46	76,228.43	-	-	-	85,454.29	-	-	2,16,226.18		54,543.46	-	-	54,543.46
								-							

INITIALLED FOR IDENTIFICATION PURPOSES S&T S&T

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column H1	Column I viii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge			Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in column F)	Assets not offered as Security	Debt not backed by any assets offered as security(Clause 1.9 of SEBI DT master Circular dated August 13, 2025.	debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For E.g. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For E.g. Bank Balance, DSRA market value is not	Total Value(=K+L +M+ N)
													Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
LIABILITIES								-							
Debt securities to which this certificate pertains	Listed secured NCD	49,326.65	7,953.81	No			-856.64	-		56,423.82		49,326.65			49,326.65
Other debt sharing pari-passu				No				-		-					
charge with above debt				No				-		-					
Other Debt				No			-	-		-					
Subordinated debt				No			19,839.43	-		19,839.43					
Borrowings		NA	78,508.44	No			-	-		78,508.44					
Bank			16,603.97	No			-	-		16,603.97					
Debt Securities				No			-	-		-					
Others				No			-	-		-					
Trade payables				No			613.17	-		613.17					
Lease Liabilities				No			-	-		-					
Provisions				No			980.18	-		980.18					
Others				No			4,770.55	-		4,770.55					
Total		49,326.65	1,03,066.22	-	-	-	25,346.70	-	-	1,77,739.57		49,326.65	-	-	49,326.65
Cover on Book Value *		111%													1.11
Cover on Market Value		111%													1.11

Notes:

** Assets cover is calculated only on debts for which this certificate is being issued.*

** Borrowing values listed are as reported in financial statements under Ind AS.

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Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113

Dvara Kshetriya Gramin Financial Services Private Limited

Annexure II – Statement of Compliance status of Covenants in respect of Listed Non – convertible debentures of the company for the period ended June 30, 2026

The company has complied with all the covenants in respect of listed non-convertible debentures as per the terms in the offer document/information memorandum except in case listed below:

ISIN	Financial Covenant Description	Covenant level	Level as on 30 June 2026
INIFD1405015	(PAR 90 +RL - LLR)/Tier 1	<=10%	22.43%
INIFD1405023			
INIFD1405031			
INE179P07464			
INE179P07530			
INIFD1405015	ROA TTM	>=0%	-1.03%
INIFD1405023			
INIFD1405031			
INE179P07464			
INE179P07530			
INE179P08082	Cost to Income Ratio	<=85%	92.74%
INE179P07332	PAR 30 to AUM	<=4%	6.86%
	PAR 90 to AUM	<=3%	5.67%
	Operational Self Sufficiency Ratio	>=100%	85.51%
	Loan Loss Reserve Ratio of PAR 90 Days	>=50%	42.14%
	Cost to Income Ratio	<=80%	155.64%
INE179P07605			
	PAR 90 to AUM	<=5%	5.67%
	Operational Self Sufficiency Ratio	>=100%	85.51%
	Loan Loss Reserve Ratio of PAR 90 Days	>=50%	42.14%
INE179P08074	PAR 90 Pre Write Off (current FY) / AUM	<=1.5%	6.90%
	PAR 90 Pre Write Off (current FY) / On Book POS	<=1.5%	3.60%
	PAR 30 / AUM	<=3.5%	6.86%
	Company shall not report any losses during the quarter	Profit	Losses
INE179P07548	PAR 90+ (+) TTM Write Off	<=6%	7.47%
	Return On Assets (ROA)	>=0.75%	-2.68%
INE179P07597	PAT is Not Negative for Last four consecutive quarters	Profit	Losses
INE179P07613			
INE179P07589	Return on Assets	>=1%	-1.02%
INE179P07621	Tier I Capital	>=18%	17.67%

For Dvara Kshetriya Gramin Financial Services Private Limited

Place: Chennai
Date: 12-08-2026

Mr.Abhik Sarkar
Chief Financial Officer

INITIALLED FOR IDENTIFICATION PURPOSES S&T

Dvara Kshetriya Gramin Financial Services Pvt. Ltd. CHENNAI 600 113