NORTHERN ARC CAPITAL LIMITED

ANNUAL REPORT 2022-2023

Strengthen. Grow. Reimagine.

Vision

To be a trusted platform that enables the flow of finance from capital providers to users in a reliable and responsible manner.

Mission

Catering to the diverse credit requirements of under-served households and businesses by providing efficient and reliable access to debt finance.

Values

Resolute: We are unwavering in our commitments and stand by them.

Empathetic: We understand the needs of our stakeholders and are aligned with them.

Ethical: We adhere to a shared code of ethics and high standards of professional conduct.

Innovative: We push the frontiers of finance through knowledge and innovation.

Responsive: We are nimble and quick to adapt, learning and evolving as we go.

CEO's Message

FY 23 marked the first full year after the pandemic and is a historic year for us. The optimistic growth in India during the year primarily stemmed from rebound in domestic consumption backed by exemplary efforts of the government to ensure near-universal vaccination coverage lifting consumer sentiments. Higher Capital Expenditure and recovery of contact-intensive services sector to pre-pandemic levels helped generate employment and boost production activity across all sectors. Despite international and domestic headwinds, the Indian economy recorded GDP growth of 7.2% in FY 23 with higher-than-expected growth in agriculture and services sector in Q4FY23. Despite 250 bps increase in repo rates by RBI, bank credit growth has witnessed a 15% growth in FY 23 backed by strong credit demand.

Northern Arc has over the years stayed true to its vision of enabling the flow of debt capital from mainstream banks and capital markets to the under-served sections of society in a responsible, profitable and scalable manner. Risk management has been the core to our business and over the years we have developed, fine-tuned and implemented bespoke risk management systems anchored on the extensive field coverage for each sector and business segment that we operate in. This enables us to effectively build a diversified portfolio and manage general risks and risks that are specific to our organisation. Not just this, we have additionally invested in a comprehensive Enterprise Risk Management system that has been implemented in line with the extant regulatory requirements. Our risk management processes also incorporate a framework for managing ESG risk, a key priority for organizations worldwide today. Building high potential teams with sectoral expertise, strong and independent risk governance structure, well-documented risk management practices and effective implementation of such practices and models built and refined over a decade of, are the cornerstones of our risk management framework. This has helped us in effectively building a high quality credit portfolio.

This is validated by the stellar financial performance of Northern Arc as summarised below. Despite the macro-economic headwinds, we recorded business volumes of INR 27,482 crore in FY23 (up by 38% from INR 19,871 crore in FY22).

- Our assets under management for Northern Arc Capital, stood at INR 9,078 Crore (up by 28 % from 7,117 Crores in FY22). For NAIM (our subsidiary), the AUM stood at INR 2776 crore

- As of FY23, we manage assets worth INR 11,854 crore
- Our PAT increased to INR 230 crore (INR 172 crore in FY22) due to improved yields and reduced credit costs. This resulted in an improved return on equity of 12.6% and a return on assets of 2.8% for FY23
- Healthy liquidity marked by high cash balances and unutilised bank limits to cushion our business from unforeseen setbacks and enabling us to participate in opportunistic areas of deployment.
- Our gross borrowing grew to INR 6,608 crore in FY23, from INR 5,983 crore in FY22, and Cost of Funds increased to 9.3% from 9.0%

Going forward

Given the nature of the business and the macro-environment, the company is extremely focused on all aspects of risk management including credit and fraud risk, liquidity risk, operational risk, interest rate and other market risks, to ensure stable and sustainable growth of the company.

With the investment climate witnessing a change, venture capital and other institutional equity available to start-ups and other early stage corporates slowed during FY23. This caused the start-up ecosystem to re-visit capital expenditure and other expansion plans. The Company is cognisant of risks emanating from the indirect impact this may have on Northern Arc's target segment of customers besides the direct impact on the credit profile of corporates dependent on venture capital. The Company has been able to adjust its underwriting approach and focus segments swiftly according to the evolving market situation. We have repeatedly demonstrated remarkable resiliency and adaptability to come out stronger than ever before reinforcing the trust of our investors and partners in our fundamentals.

As we look ahead to the future, we go back to a key pillar of our strategy – customer centricity. We have built a culture of identifying areas of improvement and continue to push our boundaries. We have laid the foundation of a reliable technology architecture to serve various customer segments with speed, safety and precision. We endeavour to build a future-ready enterprise, offering convenient and cost-effective solutions to customers and automate a large part of the prevailing business processes. Our organizational structure, our investments in new capabilities and our data and digital initiatives have all been strategically structured to propel our next phase of growth. By building scale and by systematically expanding our capabilities, we are positioned favourably to play a larger part of the ecosystem we have nourished over the last decade. I thank each one of you who has been a part of the Northern Arc family. I am confident that we will grow stronger together as we welcome triumphant days ahead.

Markets Overview:

Global Markets:

FY23 commenced on a mixed note, marked by a transformative landscape after nearly two challenging years of battling the COVID-19 pandemic. While the impact of the pandemic on lives and livelihoods gradually receded, the global stage grappled with the harsh realities of mounting inflation, supply chain disruptions originating from China, and the commencement of the Russia-Ukraine conflict, all contributing to an ever-heightening interest rate environment.

Markets in India:

In FY23, the Indian economy emerged as the fastest-growing economy globally, boasting an impressive growth rate of 7%. Against this backdrop, India's retail inflation indicator, the consumer price inflation (CPI), soared, and crude oil prices continued their upward trajectory. In response to these challenges, the Reserve Bank of India (RBI) followed the lead of other central banks by raising monetary policy rates and reducing excess systemic liquidity, which, in turn, triggered a depreciation of the Indian rupee.

In light of global interest rate hikes exceeding 5%, compared to domestic hikes of approximately 2.5%, global investors have displayed a preference for selectively pursuing investments in India over optimizing investments in their home countries or other Southeast Asian nations. Given the healthy liquidity available domestically, most originators continue to rely on domestic lenders rather than seeking credit from global capital markets.

Business Update

Northern Arc is a leading player amongst India's diversified NBFCs dedicated to empowering the lives of underbanked individuals and businesses. Since its inception in 2009, we have enabled over INR 1.4 trillion cumulatively for our clients, positively impacting the lives of 66 million people, spread across 657 districts in 29 states and 7 Union Territories in India. As of FY23, we manage assets worth INR 11,854 crore.

We offer a holistic suite of credit solutions meticulously tailored to meet the distinctive needs of our diverse clientele and provide them with cutting-edge technology platforms. Our primary focus is on sectors with far-reaching impact, including MSME, MFI, Consumer Financing, Vehicle Financing, Affordable Housing Financing, and Agricultural Supply Chain Finance. We serve our clients through a three-pronged approach: Lending, Placements, and AIFs managed by our subsidiary, Northern Arc Investment Managers.

Our data analytics and technology platforms include:

1. **Nimbus:** One of India's first curated debt platforms, has a vast network of 400+ investors and 270+ originator partners, enabling investors access to curated investment opportunities, a rich pool of data, and Northern Arc's structuring expertise while ensuring issuer partners can raise debt finance swiftly and conveniently.

2. **nPOS:** Our next-generation high-performance lending platform is exclusively tailored for the retail segment that revolutionizes the lending/borrowing experience by digitizing the entire loan lifecycle with integrations for the originator, investor, facilitator platforms, and the India Stack ecosystem for co-lending arrangements. With superfast processing, the ability to handle very large pools, personalized offerings, and an intuitive user interface it greatly simplifies the interactions between borrowers, originators, and lenders (banks and financial institutions)

3. **Nu Score:** Our proprietary machine learning-based solution, targeted at lending Institutions, gives them real-time data-backed input aiding in their underwriting and risk assessment. The platform enables its clients to scale their business by optimizing risk, enhancing productivity, and reducing TAT in their operations. Since its development, Nu Score has powered the origination of 15 lakh loans.

4. **AltiFi:** Our new-age wealth management platform offers HNIs, mass affluent, and retail investors access to fixed-income instruments like bonds. It allows them to invest in high-quality, high-return products, that were hitherto largely available to institutional investors only.

Northern Arc is backed by marquee equity investors like Sumitomo Mitsui Banking Corporation, LeapFrog, IIFL, Accion, Augusta Investments (known as Affirma Capital), Dvara Trust and Eight Roads.

Our Offerings

1. **Lending**
2. **Placements**
3. **Fund Management**

Lending

Intermediate Lending:

As a diversified financial services platform, we cater to the credit requirements for NBFCs (including NBFC-MFIs & HFCs) and fintech platforms reaching the underserved borrowers. NBFCs continue to form a sizeable portion of the systemic credit owing to their innovative offerings with considerably lesser lead time and last mile reach. Despite the headwinds over last years, NBFCs continue to remain resilient, as can be envisaged with the strong growth pattern exhibited over the same years.

As of March 31, 2023, our Originator partners reported a cumulative AUM of ~INR 5.96 trillion. Our partners had borrowers spread across 657 districts, in 36 states and UTs in India. Our exposure to these Partners has risen to INR 5,497 crore.

We enable financing to underserved customers through our Originator Partners in multiple ways depending on their specific needs – including lending to and investing in debt securities issued by the partners for their on-lending activities. The products include Loans, NCDs, CPs, securitization and assignment of receivables (sale of assets). In addition to these, we also provide partial guarantees for borrowings of our Originator Partners and third-party credit enhancements for securitization of receivables with other lenders. Through the expansion of our Markets franchise, we continue to deepen access to reliable and efficient debt capital, onshore and offshore for our Originator Partners.

Further, given our expertise in structured finance and understanding of credit requirements of our Originator Partners and Lenders, we have regularly come up with newer structures to enable financing for our partners. Over the last few years, we have closed single and pooled loans, Bonds including credit enhanced structures, Persistent Securitization structures, and single originator securitization transactions. During the current fiscal, we were also successful in concluding variations of securitization transactions, leading to cost optimization for the Originator Partner. This works to cement our value addition with the Originator Partners making us the first port of call for their funding requirement.

From a risk management perspective, there was renewed focus on field coverage across our Originator universe that has formed the bedrock of risk assessment and credit underwriting. The insights that we get from our field coverage help us proactively identify and manage our exposures in minimising credit losses across the portfolio; in addition, it also helps us identify potential business opportunities.

Partnership Based Lending

India has experienced a remarkable surge in retail lending, driven by the convergence of technology, widespread adoption of smartphones, and the utilization of data analytics. The ubiquity of smartphones has democratized access to financial services. Fintech companies have harnessed this connectivity to extend credit to previously underserved populations, offering a diverse range of retail loan products through partnership-based lending.

At the crossroads of technology and finance, Northern Arc embarked on its retail and partnership lending journey in FY16. We were pioneers in deploying cutting-edge technology and data analytics in the lending industry, proudly positioning ourselves among the first Non-Banking Financial Companies (NBFCs) to embrace this revolutionary model. Our commitment extends to both Micro, Small, and Medium-sized Enterprises (MSMEs) and individual customers, catering to their diverse needs. Within the realm of partnership-based lending, we offer a comprehensive range of products, including secured and unsecured loans, personal loans, vehicle finance, education loans, and Buy Now Pay Later (BNPL) products.

Our tech-forward nPOS platform facilitates seamless integration with originators through a series of Application Programming Interfaces (APIs), enabling swift data flow and expediting credit decisions and disbursements, often within seconds. While BNPL and personal financing address the immediate funding requirements of consumers, we also finance the K12 education segment and skill development programs through strategic partnerships, ensuring a frictionless borrowing experience for customers.

What sets us apart from other digital lenders is our seamless integration with retail lending partners and originators. Technology seamlessly permeates critical business processes such as sourcing, underwriting, disbursements, collections, and customer servicing. When a customer joins us, their data flows effortlessly through our digital channels, powering automated credit decisions for smaller loans. Having disbursed over 10 million loans through our platform, our distinctive strength lies in our analytical models, increasingly bolstered by the magic of machine learning. These models continuously evolve and adapt as we process more loans and accumulate more data, guaranteeing the precision of our underwriting.

In FY23, we navigated through significant regulatory interventions in the digital lending space that prompted a comprehensive remapping and reimagining of the digital lending landscape. The Reserve Bank of India's (RBI) Digital Lending Guidelines guided us in realigning certain processes while upholding responsible lending standards, safeguarding customer interests, and preserving the integrity of the financial ecosystem. Northern Arc diligently implemented these guidelines across our digital lending partnerships, carving out a legacy of trust. This trust resonates not only with discerning retail borrowers but also garners the approval of vigilant regulatory overseers.

We made significant strides in building effective risk management systems to manage our rapidly growing retail lending portfolio. We launched Nu Score – our proprietary machine learning based solution developed by meticulously harnessing the customer data specific to the originator for precise credit underwriting and risk assessment. Nu Score incorporates organization-specific data points and metrics, ensuring a deeper understanding of the originator's customer base.

We continue to develop credit underwriting and risk management models to help us effectively manage our retail lending portfolio better.

Our Risk models and the risk management approach for partnership-based lending allows us to effectively mitigate credit risks through appropriately pricing risks and other structured partnership approaches including FLDG from loan service providers. The quality of the partnership based lending portfolio remained robust in FY23.

Recognising the evolving operating environment and the change in the Company's lending portfolio towards a higher share of retail loans, we further strengthened our collection and recovery function. A dedicated calling centre was set up in Thane designed to meet the requirements at least over the next 2 years.

JLG and individual loans through BC (Pragati):

Pragati Finserv Private Limited was incorporated in FY 21 with the aim of offering small ticket loans through an efficient, agile and scalable digital platform to under-served rural and semi-urban areas of the country.

Pragati serves the diverse needs of customers belonging to low-income households of rural and semi-urban areas. It aims to become a one stop lending shop for its borrowers covering small ticket personal and business loans, two-wheeler loans, business LAP loans, home improvement loans, commercial vehicle loans etc. Pragati aspires to have a national footprint and deliver its product nationally and be a dominant player in its area of operation.

The current product offering of Pragati is Krushi JLG loan for rural women customers with a ticket size of 30k to 75k. JLG graduate loan (Shakti) of Ticket Size - 75k to 125K) with various end uses like 2,3-wheelers, Commercial vehicles, Home Improvement & WASH, Agri, Education and Dairy is expected to be launched shortly. A product for Small Ticket Business Loans (Vyapar) with a Ticket Size 125k – 500k is being developed, which will be launched.

The total portfolio of Pragati as of 31st March 2023 is INR 792 Cr with 2.60 Lakh active customers.

During FY23, Pragati has disbursed loans to 1.68 Lakh customers with a value of 749 Cr . The average ticket size of disbursements is Rs.44,500. The total PAR on the 749 Cr of BC portfolio is only 0.44 Cr which accounts to 0.06%.

The total number of branches towards the end of Year was 186 with 53 New green field expansion branches in Karnataka. With the expansion, the branch and portfolio concentration in TN have been reduced to 60% and 78% respectively. The expansion plan for the coming years will help in bringing the portfolio concentration in TN would be further brought down.

"Aryabhatta", the fully digital Loan origination system helps improves the sourcing productivity through smooth onboarding of clients. The application has front-end process built-in which helps in minimising the sourcing risks. Our In-House application "Dhruva", developed for Quality control and reports, has quality control workflow set-up with online KYC authentication, credit underwriting using data analytics, rule engine and credit engine as per the RBI regulations. "Takshila" our HRMS platform has been introduced for lifecycle management of employees limiting paper usage. The technology would enable Pragati to provide best in class Customer services, right-sized loans and quick turnaround time.

MSME:

The Mid-Market Corporate Lending vertical was started six years ago with a mission to enable finance to underbanked corporates and to expand our coverage beyond financial institutions. Through this business, we serve consumer focused sectors such as Education, Food & Agri, Healthcare, FMCG, Logistics, Clean

Energy and Electric Vehicles. Many of these sectors are aligned with target areas of investment under the UN SDGs. We have backed high growth businesses with strong promoters, sound corporate governance and strong process controls. This has been ably supported by our robust underwriting framework and risk monitoring practices. Our underwriting approach has been cashflow-based wherein we have been able to tailor our debt offering through innovative products such that debt repayments can match the cashflows from the business. Our offerings include financing working capital, capital expenditure, acquisition financing & other growth-related investments that our partners are looking to invest in.

In FY 23, we launched the Emerging Corporate Bond Fund, the 10th fund managed by Northern Arc Investments, which focusses on serving credit requirements of emerging corporates thus extending our experience of underwriting non-financial institutions corporates to our investors in the fund. This addition significantly improves our product offering to Corporates spanning from Supply Chain finance to growth funding from Northern Arc Capital's balance sheet to serving higher credit requirements of the borrower through our Markets and Fund platforms.

Despite the "funding winter", Our portfolio companies remain resilient and our portfolio quality remains strong. We continuously monitor and tweak our underwriting approach, to structure debt products that are adequately tailored to suit the cashflows of borrowers.

Supply Chain Finance

In an evolving economic landscape, supply chain remains the backbone of businesses across industries and credit solutions becomes integral to keep the ecosystem intact . Efficiently managing this intricate network requires a dynamic approach, one that extends beyond traditional financing solutions. Keeping this in mind, Northern Arc launched the Supply Chain Finance (SCF) business and the business has picked up momentum in the current fiscal.

The tech stack is ready and we have built an integrated digital journey from onboarding, underwriting, documentation to transaction processing. The Loan Management System (LMS) is robust enough to manage high volumes, do real time disbursements & settlements through a straight through transaction processing capabilities integrated with the bank. Further, we offer online access to all clients (Anchors & Spokes) via Client Portal curated for the SCF business. Clients can do bulk upload of invoices and post validations the disbursements happen on a real time basis. This facilitates same-day approval and transfer of funds. Similarly, through unique identifiers, the settlements are posted against respective borrowers.

In FY23, the SCF business started around Q3 and within a short span, we sanctioned limits of more than INR 100 crs across the various invoice financing propositions and well diversified sectoral mix covering Electronics, Agri, Logistics, Manufacturing, Metals, Chemicals, etc. We had Nil delinquencies of overdue and this is a testimony of our robust risk management framework. The business is end-use monitored with an underlying trade (invoice) at each leg of financing. The short tenor revolving facilities help churn the limits in a timely manner and helps in identifying red flags, if any, in a timely manner.

Portfolio Highlights

- Min Invoice Value – INR 59
- Max Invoice Value – INR 4 cr
- No of Invoices Finances – INR 1372

- Gross Disbursements – ~INR 92 crs
- Closing AUM – ~INR 55 crs
- Avg Value of Invoice – ~INR 6.7 lacs
- Linked Buyers / Sellers – 77

In the fiscal, the SCF business team expanded across Mumbai, Bengaluru, Gurgaon & Chennai. We have a dedicated Operations team centrally based out of our Chennai office and Risk Teams across the locations. We believe in client centric approach and the endeavour would be to expand beyond these 4 locations to be as closer to our clients as possible to ensure long-lasting relationships built on trust and mutual growth.

As we reflect on our journey over the past year, we are proud of the milestones we have achieved and the value we have added to our clients' supply chains. We have a clear roadmap for enhancing the digital journeys and customer experience and various integrations, developments have started. We expect to launch a further simplified & interactive digital / web journey in the next fiscal. As the portfolio stabilizes, we plan to add new products in the kitty which are natural extensions to the invoice financing / underwriting propositions. The focus is to build a granular portfolio around long tail / deep tier players in an ecosystem.

The risk management framework for the supply chain finance business is customized for each product viz., anchor-based and spoke-based. In addition to managing credit risk, our robust systems and processes are designed to effectively mitigate fraud risk and other operational risks. As on March 31, 2023, there were no overdues in the supply chain finance portfolio.

Loans Against Property

Northern Arc Capital understands the ever-evolving demands of the market and the aspirations of Micro, Small, and Medium Enterprises (MSMEs). Since April ‘22, we have embarked on a transformative journey, extending secured business loans (Loan Against Property) directly to retail MSME businesses through our own retail branches. This strategic shift has enabled us to establish a more direct and individual relationship with MSME borrowers. As of March 2023, Northern ARC Capital operates a network of 23 branches across 6 states, managing a combined asset under management (AUM) portfolio valued at Rs. 120 crores.

All our branches are technology driven and embrace a frugal approach. In the realm of our digital processes, we boast a fully functional LOS (Loan Origination System) with comprehensive capabilities, ranging from customer onboarding to online document execution. In addition to our LOS, we have developed a user-friendly application for customer self-onboarding. Our loan bookings, disbursement processes, and repayment tracking are seamlessly managed through our Loan Management System. We have been able to maintain a 100% repayment efficiency underscores the robustness of our systems and processes. In the upcoming fiscal year, FY 23-24, we are poised to expand our branch network to 50 locations. Each branch rollout will be meticulously calibrated based on market size, location, anticipated market share, and growth potential.

Key Portfolio Highlights for FY 22-23 include:

•Assets under management (AUM) amounting to Rs. 120 crores as of March '23, with a total disbursement of Rs. 143 crores.

•Monthly disbursal momentum reached its peak at Rs. 31.58 crores in March '23.

•Our portfolio is characterized by high quality and granularity, with a current average loan ticket size of Rs. 12.6 lakhs.

•Notably, every single one of our loans has women either as borrowers or co-borrowers. ~24% of loans have women as main borrowers

•A significant 99% of our portfolio is allocated to the Priority Sector.

In FY22-23, we have laid a robust foundation for constructing a high-quality portfolio and positioning ourselves for aggressive growth in the forthcoming years. In the next fiscal year, we have strategic plans to diversify our product offerings tailored to the specific needs of MSME borrowers. We will strive to offer excellent customer experience with a focus on significantly reducing turnaround times. We have made substantial investments in developing proprietary scorecard models for automated credit decisioning, integrating AI/ML capabilities into our lending module to enhance risk assessment. Our unwavering commitment is to become a dominant market player in our segment within the locations where we operate, underpinned by our clear vision, expertise, and technological prowess.

With our decade long business/ credit experience, and our MSME programs, will leverage our existing robust credit talent and network. We have also partnered with strategic players in contiguous geo-regions of operation, to increase our reach. Our portfolio quality remains excellent with no overdues as on March 31, 2023.

The MSME products are offered through a Phygital (Physical + Digital) model: distribution based on a few strategically located owned business locations with the support of a capable digital infrastructure. The physical process of security creation is to be aptly supported by a paperless approval workflow, an intelligent credit scoring mechanism and analytics based on the prospect’s offline and online behaviour patterns. Our digital assisted process flow, with stage-wise updates to customer, will also help shore up customer stickiness during the onboarding process.

Placements

In FY23, we recorded our highest placement volumes in a financial year. Despite the backdrop of escalating interest rates and economic uncertainties we witnessed strong investor interest in a diverse range of debt products. We secured debt funding for both financial services institutions and corporates.

During this period, we onboarded 23 new investors, across NBFCs, private wealth firms, mutual funds, AIFs, DFIs, and global investors. Notably, we successfully placed our transactions with 94 investors with 75% of these being returning partners, affirming their trust and confidence in our ability to structure, arrange, facilitate, and selectively co-invest in transactions.

In addition to successfully onboarding new investors, we achieved horizontal diversification across our existing investor universe. This involved tailoring bespoke products that align with market dynamics and investor preferences. Our holistic engagement with investors extended to supporting their portfolio monitoring efforts by providing insights at both the field and data level.

One of the pivotal lessons drawn from the pandemic's crucible was the imperative of embracing technology. To keep pace with the dynamic transformation in technology, we encouraged our investor partners to leverage our proprietary debt platform, 'Nimbus.' The Nimbus ecosystem offers a seamless end-to-end evaluation of potential opportunities, supports efficient disbursement processes, and provides in-depth post-disbursement monitoring capabilities. .As of FY23, all transactions were executed through Nimbus, earning investor acceptance for its functionalities in facilitating investments and portfolio monitoring.

In FY23, our commitment to being the preferred partner of choice for investors was strengthened through continuous engagement and the delivery of best-in-class services. Our efforts to innovate allowed us to introduce nuanced structured products that resonated with investor and originator preferences, solidifying our position as the preferred arranger of choice. A few notable deals closed during FY23 include

- India's first multi-anchor trade securitization, recognized with the 'Deal of the Year 2023’ award by Indian Securitization Foundation.

- The conclusion of the first-ever personal loan Direct Assignment (DA) undertaken by an Indian public sector bank in collaboration with an NBFC.

- The deployment of a substantial portion of the India portfolio for an investor partner under their flagship bond series 'Women Livelihood Bond,' distinguished as the world's first orange bond and listed on the Singapore Exchange.

- Pioneering entry into the BBB space for the domestic capital markets business through the successful placement for a fintech entity.

Through the year, we engaged with our investor partners by sharing insights on our sectors through focused meetings, webinars, e-mailers, and group sessions. These insights, gained through regular field-level and financial updates on the originators and the sectors, are used by investors to review their underwriting frameworks.

Structuring New Products

Our Company continued to leverage its deep domain expertise in the area of Structured Finance to capitalise on the economic recovery post Covid that necessitated higher credit requirements from its originator partners aided by renewed investor confidence with improvement in asset quality across entities and sectors that Northern Arc works in. The share of its core Originator partners accessing funds via securitisation in the overall securitisation market issuance almost doubled to 26% in FY2023 compared to the previous year.

Embedded in our product designing capability is an understanding of the diverse credit requirements of our retail borrowers, Originator Partners, and mid-market companies, the sectors that they operate in, as also the risk and return expectations of our Investor Partners. Our knowledge in product designing and customization is further strengthened by Nimbus, which makes use of technology and our Company's large data lake to offer curated opportunities to both Originator Partners and Investor Partners and allowed our company to manage a more than 2.5 times increase in Securitisation volumes that it facilitated over the previous fiscal with ease reinforcing the importance of technology in a satisfactory customer journey for its originator and investor partners.

For our Originator Partners, we offer a wide variety of debt and credit-enhanced debt products aimed at access to efficient cost of funds. These include term and working capital loans, commercial paper, External Commercial Borrowings ("ECBs"), sub-debt products, guarantee-backed lending, SPiCE loans and SPiCE BOND® (together, "SPiCE"), pooled loan and bond issuance programmes that are suited to their specific lifecycles, credit ratings, and their requirements on size, tenor, pricing, etc. We also offer portfolio financing products such as rated securitization and direct assignment that help our clients avail liquidity through the sale of assets. Our Company has enabled small and medium Originator Partners access securitization markets where large NBFCs are active participants.

The overall securitization and direct assignment volumes in the market stood at Rs. 1.75 trillion for Fiscal 2023, recovering from covid impacted FY2023 to register a growth of 40% year-on-year. Our Company has enabled Structured Finance volumes of Rs. 101billion through securitization, direct assignment and other Structured Finance Products. In the process, the company facilitated funding for 59 entities/originator partners through its dedicated and customised structured finance solutions. The originator partners span key sectors like Microfinance, Business Loans, Consumer Finance and Mortgages and their credit ratings range between 'BBB' to 'AA'. Our Company also won recognition for the 'Most Innovative Deal of the Year' in FY2023 for arranging and investing in securitisation notes backed by trade receivables originated by one its Supply Chain partner NBFCs which received the highest short-term rating of A1+(SO).

Further, we selectively assume skin-in-the-game in some of these products to enhance their credit rating and enable our Originator Partners and other businesses to raise debt from investors. The skin-in-the-game could be in the form of guarantees for a stated amount, co-investment, and credit enhancement in the form of investment in subordinate tranches of an instrument or unfunded second-loss credit enhancement.

Fund Management Business

FY23 proved to be a year of resilience as NAIM successfully navigated significant external challenges such as reduced system liquidity, changes in MLD taxation structure and AIF and PMS regulatory changes. FY23 saw NAIM bolster its exit track record by delivering three fund exits taking the total to 5 out of 8 closed ended funds. NAIM closed FY23 with cumulative investor commitments of ~INR 5,000 crore and launched its tenth AIF with total investments of INR 6,680 crores across sectors and expanded its investor base to 700+ investors. We added 370+ new investors across corporates, family offices, high net worth individuals, global and domestic funds, and development finance institutions, highlighting the growing recognition and trust in our platform.

Fund raising and deployment picked up steam, as the economy started recovering from the COVID-19 impact in the last quarter of FY22. But the surplus liquidity started depleting from the first quarter of FY23, leading to a rise in short term borrowing rates and a fall in long term borrowing rates. The economy also witnessed a steady increase in the repo rates which led to a rise in the rates of G-Sec and AAA rated securities. This wave however did not percolate down to the lower rated securities and led to compression of credit spread. The anticipation of a recession in the first world countries along with volatile macroeconomic conditions in India, led to a funding crunch across the start-up space. With the changed landscape, fund raising investments slowed in the first half of the year.

NAIM completed the setup of its first ever offshore office based out of GIFT City, paving the way to increased dollar denominated AUM inflows from offshore investors and HNIs. In terms of new offerings, NAIM completed the first close of the Northern Arc Emerging Corporate Bond Fund in Nov-22, This marked the first fund to invest in mid and small-size corporates, thereby broadening NAIM’s investment capabilities beyond financial institutions. We also received the in-principal approval for its first ever Separately Managed Accounts for a ticket size of INR 120 crore. The Northern Arc Money Market Alpha Fund continued to remain our flagship fund, providing a viable alternative for investors to park their short-term funds (3-6 months) with a target return of 9-10%. The Fund achieved a peak AUM of INR 1,395 crore in Jan-23 and maintained an Average AUM of INR 1250 crore in FY23.

Within the Portfolio Management Services platform, NAIM launched Northern Arc Income Builder - Series B, the Second Discretionary PMS portfolio of Listed Principal Protected MLDs with a target size of INR 175 crore. The Non-Discretionary PMS portfolio was also launched, providing investors with a curated set of investments, diversification benefits, easy exit options, superior risk adjusted returns and the advantage of Northern Arc's specialized asset management and high touch monitoring.

FY23 continued to be the year of accolades, as our accomplishments were recognized and celebrated across various platforms. NAIM made it to the ImpactAssets50 list (an annual showcase featuring fifty fund managers from across the world who led their respective fields in creating positive social impact, while generating financial returns for investors) consecutively for the third year in FY23. NAIM was yet again featured in the 'Most Consistent Top Performing Private Debt Fund Manager' list by Preqin, while Asia Asset Management awarded us the “Best House for Alternatives-India”. Further, NAIM won the prestigious 'Social Impact Award' at the IVCA Conclave 2023, marking another significant milestone in our journey.

All these recognitions from international and domestic forums, are a true testimony of the extensive underwriting expertise, innovative approach, and thought leadership in that NAIM brings about in its target sectors. They further reinforce the belief that NAIM is a unique debt AIF platform delivering superior risk-adjusted returns to investors while creating positive social impact.

Treasury

The year went by was an eventful for Northern Arc Capital's treasury function. It has achieved quite significant things namely, external credit rating upgrade, managing the cost of borrowing and novel fund-raising transactions, etc. Northern Arc Capital raised INR 4,288 Crores. from 45 lenders through different types and sources. The quantum raised is the highest by the company for any year. Treasury ensured adequate funds for the balance sheet growth for the different types of asset origination.

The efforts to further broad base the lender relationships were ensured. The number of lender / investors has been ~50. This year also saw fund raise through different instruments like term loan, CPs, NCDs (MLD), ECB, sell down etc.

In FY23, Northern Arc Capital raised funds from large banks in the country like SBI, BoB, Union bank Indian bank HDFC, Axis, Kotak, IDFC Bank, etc. In all INR 1,130 Crores and INR 1,762 Crores raised through public and private sector banks respectively, forming 67% of lendor profile.

A noteworthy transaction was a term loan of INR 325 Crores. from Axis bank against 50% guarantee from Guarantco., a multilateral Guarantee company that works in inclusive finance.

Globally renowned DFIs like FMO, an existing investor / lender, further reinforced their faith in by an investment of USD50 Million in the bonds of Northern Arc Capital and Proparco, a French development bank lent USD 25 million through ECB. These transactions reiterated the faith among the Global DFIs on the company's role in the inclusive finance space in India.

Northern Arc Capital continue to raise market borrowings in the form of Commercial papers and NCDs / MLDs from premier family offices and HNW individuals and Mutual funds (AMC). In all INR 787 Crores raised through this category.

With the increase of retail assets in the balance sheet, the ability to do sell down in the form of direct assignment gathered momentum. Company received sanction to DA/ CLM for INR 746 Crore from three different banks and completed INR 385 Crore during the year. This helped in managing the exposure as well.

Apart from DA, Northern Arc also did INR 1,115 Crore through sell down of NCDs in order to support the market making (DCM) and exposure management activities. FY2023 was a year of turnaround in term of interest rate. RBI increased its benchmark repo rates by about unprecedented 250 basis points, this isa t the backdop of USFed increasing its USFed rates by 400 bps. Despite such high increase, Northern Arc Capital managed / defended the increase in cost of borrowing by abot 40 bps throughout the year. This has helped in expansion of the spread. The average cost of funds for the year was 9.30% and the incremental cost of borrowing was 9.5%*.

Northern Arc Capital maintain conservative liquidity management policy. Maintains adequate liquidity over and above LCR required by RBI. It also maintains sufficient undrawn bank lines to assist business growth.

At this backdrop, the company continued to engage with the external credit rating agencies with the request to review and revise the long-term rating. Towards the end of the financial year ICRA, which has assigned a positive outlook to the existing long-term rating, did upgrade it to AA- (stable outlook), this was the first upgrade for the company in the last eight years.

To summarize, notwithstanding the rate hikes and monetary tightening, the company raised funds to support balance sheet expansion through innovative transactions, obtained a rating upgrade and continue the journey towards growth with the firm grounding on liquidity and interest rate risk management.

Liquidity And Interest Rate Risk Management

After benign interest rate and comfortable liquidity regime, FY23 was welcomed with an increase in Repo rate by Reserve Bank of India. With increasing global / domestic inflationary pressure, central banks across the world started to curb the liquidity and increasing the interest rate. Our Company has an asset liability management policy in place which requires us to monitor and manage interest rate and liquidity risks proactively from time to time. Liquidity risk relates to the risk of loss in the event sufficient liquid assets will be unavailable or will be available only at excessive cost, to meet the cash flow requirements of obligations when they are due. In this context, the company has a suitable liquidity risk management framework in place, the purpose of which is to ensure the availability of adequate liquidity to meet upcoming repayment commitments as well as liquidity for ongoing business requirements. Further, the company's Asset Liability Committee (ALCO), which comes under the purview of the Finance Committee, regularly monitors the liquidity position and ensures that liquidity is managed in accordance with the ALCO policy, approved by the board.

The company also undertakes measures to actively manage the interest rate risk on our balance sheet. Interest rate risk is the risk of loss resulting from movements in interest rates and their impact on future profitability and cash flows. Northern Arc follows duration gap analysis to measure and control the interest rate risk with the duration gap being the difference between the duration of assets and the duration of liabilities. The company has a defined internal threshold for equity duration (impact on return on equity due to movement in interest rates) and monitors it on an ongoing basis. Given the floating rate nature of a sizeable portion of our assets linked to an internal benchmark i.e., Floating Benchmark Linked Rate, we expect the same to provide a buffer against any adverse interest rate movements in the future.

We have in place strong internal processes and controls on all treasury-related activities. We continue to comply with all regulatory guidelines including guidelines on tolerance limits on ALM mismatches, and liquidity coverage ratio amongst others. During the year, our LCR requirement has gone up from 50 per cent to 60 per cent. Accordingly, we maintained the requisite quantum of High-Quality Liquid Assets (HQLA).

Technology

nPOS

nPOS is Northern Arc's lending platform that bridges the gap between banks, other financial institutions, and borrowers. This comprehensive solution, equipped with validation, automation, and customizable Business Rules Engines (BREs), addresses a multitude of challenges currently faced by financial institutions and fintech companies. These challenges include laborious manual processes, prone to errors and expensive to scale, as well as the lack of access to reliable customer data for making informed credit decisions.

nPOS offers a versatile solution encompassing loan origination, underwriting, disbursement, and collection reconciliation processes. It caters to both pool-based and non-pool-based partnership lending models, including co-lending models (CLM1 & CLM2), business correspondent partnerships (BC), and digital lending. Moreover, it can be easily configured to accommodate other traditional sourcing models. nPOS supports partnership-based lending for a wide array of loan types, including secured and unsecured loans, such as microfinance loans, unsecured small business loans, mortgage loans, vehicle loans, consumer durable loans, and unsecured personal loans. With nPOS, loan origination, underwriting, digital KYC authentication, Anti-Money Laundering (AML) checks, disbursements, and real-time collection apportionment are seamlessly executed in collaboration with our lending partners.

nPOS offers deployment options tailored to your needs. It can be implemented as a hosted and managed solution/Platform as a Service (PAAS), hosted on Northern Arc's servers, or as an enterprise solution installed on the client's servers.

In FY23, nPOS has facilitated more than 16 million loans, totaling over INR 110 billion in value, marking its significant contribution to the lending landscape.

Nimbus

Nimbus – one of India's first curated debt platforms with 400+ investors and 280+ originator partners – is Northern Arc's proprietary platform that actively connects investors with issuers (Financial institutions, growth-stage startups, and mid-market companies). The platform offers investors and issuers the full suite of debt products in a transparent manner, leading to distinct advantages for the users: scale, precision, and efficiency in turnaround time. Investors are offered a platform to discover curated investment opportunities and access a rich pool of data along with Northern Arc's structuring expertise to enable higher risk adjusted yields. Dedicated dashboards and real-time data analytics further aids investors in credit monitoring and management of their investment portfolios. Through Nimbus, issuer partners can raise quality debt finance swiftly and conveniently, and also access real time market information, enabling them to benchmark their liabilities against the industry.

NuScore

Nu score is a proprietary machine learning based solution, which is custom-built for every lending institution. Every tailor-made model utilizes and learns from data specific to that lending institution and overlays it with sector-specific insights from Northern Arc's experience across the country and over different economic & credit cycles, including macro and regional events. Launched in January 2023, Nu score offers a real-time, data-backed input and thus aids lending institutions in their underwriting and risk assessment to optimise risk, enhance productivity, reduce TAT and scale their business. Nu score can be integrated easily through APIs and generates borrower level assessment along with a detailed analytics report within seconds. The first version of product contains services suite catering to micro finance and consumer finance sectors while SME finance and vehicle finance sectors are in pipeline. Since development, Nu score has powered the origination of 15 lakh loans for Northern Arc's direct and indirect retail portfolio.

AltiFi:

Retail investors are getting financially sophisticated and savvier. Millennials and Gen Z investors, armed with financial literature and tools that are extensively available online, understand the importance of holistic planning and diversification. They are also ready to experiment and invest in asset classes that sway from traditional streams like equity, mutual funds and FDs.

AltiFi has leveraged this trend to help retail investors access fixed income instruments like bonds. Bonds are an important asset class that should form a part of every investor's portfolio. But, unlike in developed nations, the Indian bond market has largely remained shallow and limited to institutional investors. This has been due to high ticket sizes, opaque pricing and an execution mechanism that relies on bilateral negotiations. We have solved that by offering bonds from INR 1,000, a transparent pricing mechanism and a seamless online journey that involves no paperwork.

FY23 saw some necessary interventions by the regulators to ensure investor protection. The OBPP (Online Bond Platform Provider) regulations that were issued by SEBI in November 2022 were a welcome step in this direction. It required all bond platforms to register as stockbrokers in the debt segment. We believe that this will protect the nascent industry and help it establish trust with retail investors. We have established a dedicated entity, Northern Arc Securities Private Limited, for the same and have submitted applications with both the NSE and the BSE. We are in the process of integrating with the RFQ platforms of the stock exchanges – All transactions, after our registration as a broker, will be through this framework and will ensure that customers have an additional layer of protection while executing deals.

To expand our product spectrum, we began offering public issuances of bonds and primary issuances of Sovereign Gold Bonds on AltiFi. This is in line with our stated immediate goal of becoming a full- fledged fixed income distribution platform. The long-term vision is to provide full scale wealth management services, encompassing products across savings, investments, and protection.

IT Infrastructure

We have securely deployed a combination of customized, off-the-shelf, and tailored software developed in-house to power our business operations. Our IT infrastructure is built on a robust architecture consisting of a primary data centre and a disaster recovery centre that links all our offices.

BOARD'S REPORT

Dear Shareholders,

Your directors have pleasure in presenting this annual report along with the audited financial statements of the Company for the year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

(Rs in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Total income	1,25,787.48	87,411.93	1,31,120.03	91,654.47
Finance costs	55,690.71	41,026.93	55,744.89	41,067.24
Net interest income	70,096.77	46,385.00	75,375.14	50,587.23
Operating expenses	34,871.32	19,079.60	37,939.50	21,140.06
Depreciation	1,026.14	911.82	1,204.43	957.44
Pre-provision profit	34,199.31	26,393.58	36,043.94	28,489.74
Impairment and write-offs	3,894.37	3,684.74	3,921.38	3,650.85
Profit before tax	30,304.94	22,708.84	32,122.56	24,838.89
Tax expense	7,769.33	6,335.91	7,901.02	6,645.12
Profit for the period	22,535.61	16,372.93	24,221.54	18,193.77
Other comprehensive income/(loss)	-1,084.80	-2,724.34	-1,461.61	-3,346.98
Total comprehensive income	21,450.81	13,648.59	22,759.93	14,846.79
Total comprehensive income to Owners	21,450.81	13,648.59	21,732.23	14,170.00
Opening balance of retained earnings	49,164.53	36,194.46	51,340.90	37,462.26
Transfer to reserves	-4,507.12	-3,274.58	-4,507.12	-3,274.58
Appropriations and other adjustments	90.04	-128.28	64.33	-96.75
Closing balance of retained earnings	67,283.06	49,164.53	69,899.17	51,340.90

During the year ended March 31, 2023, on a consolidated basis, your company generated total income of INR 1,311.2 crores, a growth of 43.05% over the earlier year. Net Interest Income was INR 753.75 crores, representing year-on-year increase of 49%, which resulted in a profit after tax of INR 242.21 crores, 33.13% higher than the previous year.

DIVIDEND

Due to the need for deploying the funds back into the business for the growth of your Company, your directors have not proposed any dividend on equity shares for the year under review.

TRANSFER TO RESERVES

During financial year 2022-23, your Company has transferred an amount of INR 45.07 Crores to reserves in accordance with the requirements of s. 45-IC (1) of the Reserve Bank of India Act, 1934.

CREDIT RATING

The Credit ratings of the company as on March 31, 2023, are summarised below:

Instrument	Rating Agency	Rated Amount (INR crore)	Rating and rating action
Long-term Fund-based Limits	ICRA	47	ICRA]AA-(Stable)
Non-Convertible Debentures	ICRA	280	[ICRA]AA-(Stable)
	India Ratings	475.53	IND A+/Stable
Market linked debentures	ICRA	150	PP-MLD[ICRA]AA-(Stable)
	India Ratings	1844.7	IND PP-MLD A+ / Stable
Subordinated Debt	ICRA	40	[ICRA]AA-(Stable)
Commercial Paper	ICRA	300	[ICRA]A1+
	CARE	300	[CARE]A1+

CAPITAL ADEQUACY

The company's capital adequacy ratio as of March 31, 2023, was 20.77% as against 22.79% as at March 31, 2022. The minimum capital adequacy ratio prescribed by Reserve Bank of India is 15%.

SHARE CAPITAL

During the financial year, your company had issued 1,23,750 equity shares under the Employees Stock Option Schemes of the Company.

Consequent to the aforesaid allotments of equity shares, the total paid up capital of the Company as on March 31, 2023, was INR 1716777010/- comprising of 8,90,31,293 equity shares of INR 10 each and 4,13,23,204 compulsorily convertible preference shares of INR 20 each.

The shareholding pattern of the Company as of March 31, 2023, on a fully diluted basis was as follows:

Name of Shareholder	No. of shares	% of holding
IIFL Opportunities Fund, IIFL Opportunities Funds 2 to 7	3,40,06,698	25.61%
Leapfrog Financial Inclusion India (II) Limited	2,99,52,665	22.56%
Augusta Investments II Pte Ltd.	2,58,87,110	19.50%
Eight Roads Investments Mauritius (II) Limited	1,36,10,748	10.25%
Dvara Trust	99,29,257	7.48%
Individual shareholders (as per list enclosed)	6,47,250	0.49%
Accion Africa Asia Investment Company	76,99,529	5.80%
Sumitomo Mitsui Banking Corporation	70,04,364	5.28%
Northern Arc Employee Welfare Trust + Others	16,16,876	1.22%
Vested options	24,20,484	1.82%
Total	**13,27,74,981**	**100.00%**

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

The composition of the Board of Directors of the Company is in accordance with the provisions of section 149 of the Companies Act, 2013 with an appropriate combination of Non-Executive Directors and Independent Directors.

During the year under review Mr. Amit Mehta (DIN: 07089427) resigned from the Board with effect from May 2, 2022. Further, Mr. Samir Shah (DIN: 00912693) resigned from the Board with effect from 28th December 2022. The Board places on record its appreciation of the valuable services rendered by Mr. Amit Mehta and Mr. Samir Shah during their tenure with the Company.

Mr. T S Anantharaman (DIN: 00480136) was appointed as Nominee Director on the Board with effect from 9th February 2023.

Key Managerial Personnel

Mr. Ashish Mehrotra, Managing Director and Chief Executive Officer, Ms. Bama Balakrishnan, Chief Operating Officer, Mr. Atul Tibrewal, Chief Financial Officer and Ms. R Srividhya, Company Secretary of the Company have been designated as the Key Managerial Personnel of the Company (KMP) pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Declaration of independence under Section 149(6) of the Companies Act, 2013

The independent directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

Pecuniary Transactions with non-executive directors

Details of remuneration to non-executive directors are provided below:

Sl. No.	**Name of Director**	**Total Sitting fee (In INR)**
1	Ms. Anuradha Rao	12,00,000
2	Mr. P S Jayakumar	18,00,000
3	Mr. N T Arun Kumar	7,50,000
4	Dr. Kshama Fernandes	67,58,355 (including Commission)
5	Mr. Ashutosh Pednekar	8,00,000
Total		1,13,08,355
Name of Director		**Amount of commission paid**
P S Jayakumar		70,00,000

MANAGEMENT DSCUSSION AND ANALYSIS REPORT

I. MACRO OVERVIEW

A. Economic Outlook

The fiscal year of FY23 unfolded against a backdrop of global economic challenges and uncertainties. The world faced ongoing repercussions from the COVID-19 pandemic, geopolitical conflicts, and inflationary pressures. Notably, events such as Russia's invasion of Ukraine and pandemic-related shutdowns in China added complexities to the global economic landscape.

Despite these challenges, the global economy displayed resilience. The International Monetary Fund (IMF) initially projected a slower pace of growth, revising down the 2022 forecast from 6.1 percent in 2021 to 3.6 percent. This adjustment reflected the lingering impact of the pandemic, rising inflation, and supply chain disruptions.

In response to these challenges, central banks worldwide implemented a range of measures to stabilize financial markets and support economic recovery. Governments, too, adopted fiscal policies to stimulate growth and address pandemic-induced vulnerabilities. These collective efforts aimed to mitigate the impact of global uncertainties on trade, investment, and employment.

As the year progressed, concerns about inflation gained prominence. A cost-of-living crisis materialized for many countries, prompting central banks to carefully navigate monetary policies to address inflationary pressures without stifling economic recovery.

In India, FY23 witnessed a dynamic economic environment. The country's GDP grew by a robust 7.2 percent, solidifying its position as the fastest-growing large economy globally. Despite external uncertainties, including a weakening rupee and geopolitical tensions, India's economic indicators, such as Forex reserves, and FDI flows, remained relatively favourable. The Reserve Bank of India (RBI) responded to rising inflation with off-cycle rate hikes, concluding with a repo rate of 6.5% in an effort to anchor inflation expectations.

The economic landscape was characterized by a delicate balance between domestic and global factors. The government's commitment to economic growth was evident in the increased allocation of 35% percent to INR 7.5 lakh crore for capital expenditure in the Union Budget. Measures such as the extension of credit guarantee schemes underscored efforts to support sectors affected by the pandemic. As the world navigated uncertainties, India showcased resilience and economic vibrancy.

The Economic Survey of India 2023 predicted the GDP growth to be in the range of 6 – 6.8% in FY24. The Union Budget for FY24 continued the push for fiscal prudence, green growth, export-oriented production, infrastructure advancement and modernization. The proposed fiscal deficit for FY24 is 5.9 percent of GDP, and is a pathway to the goal of achieving the 4.5 percent target by FY26. The budget provides INR 350 billion for priority capital investments towards energy transition and net zero objectives. It has an outlay of INR 197 billion for the National Green Hydrogen Mission, and will facilitate the transition of the Indian economy to low carbon intensity and reduce fossil fuel imports.

B. Sector outlook

NBFCs continue to gain importance in the Indian financial services industry carrying out the critical function of enabling access to financial products and services. Their proximity to customers and an ability to provide bespoke solutions has made them a vital cog in India's economic growth. NBFCs operate in a wide variety of asset classes ranging from granular retail loans (e.g., personal loans, vehicle loans, small business loans, gold loans, microfinance loans, etc.) to large-ticket wholesale loans (e.g., lending to corporates, infrastructure, real estate, and structured credit).

NBFCs have been responsible for many pioneering innovations that have revolutionized the financial services landscape in recent years. They have used differentiated business models and credit appraisal methods, helping the relatively under-banked borrower segments with niche domain expertise. They provide last mile credit delivery through rural branches or serve customers through seamless online models.

After subdued growth and portfolio quality during the Covid-affected years, NBFCs bounced back strongly in FY23. They witnessed their highest y-o-y growth in the last 5 years, at 17% as per a report by BCG. Credit costs also continued their downward trend, resulting in improving profitability for the industry.

The growth in the sector was led by diversified financial institutions and NBFC-MFIs. As per the BCG report, the sector witnessed an increase in absolute profit of 39%. Diversified financials (68%) and MFIs (220%) outperformed the overall sector. These institutions were also the primary drivers of growth, registering 28% and 33% annual growth compared to the aforementioned 17% for the industry.

The outlook for NBFCs is expected to remain strong owing to macroeconomic tailwinds, regulatory stability and a better operating environment. Companies that are adequately capitalized and with robust provisioning norms with adequate liquidity would be able to outperform the industry in the near term.

The sector is expected to observe a continuation of strong growth in disbursements. Asset classes including Microfinance, MSME Finance, Housing Loans and Vehicle Finance are expected to witness demand. Consumer loans like personal loans, BNPL and checkout financing are also expected to see strong traction mirroring growth in ecommerce.

C. Regulatory outlook

Some key regulations that were issued by the RBI during the year –

- In April 2022, RBI brough scale based regulations that required NBFCs to make additional disclosures in financial statements based on their size

- In May 2022, RBI allowed bank credit to NBFCs for on-lending up to an overall limit of 5% of an individual bank's total priority sector lending (PSL) in case of commercial banks and 10% for SFBs to lend to NBFC-MFIs and other MFIs
- In Aug 2022, the RBI issued digital lending guidelines that laid the comprehensive framework for online lending

II. **NORTHERN ARC CAPITAL**

A. **Business overview**

- Total income increased from INR 916 Crore (FY22) to INR 1311 Crore (FY23), an increase of 43%, primarily led by higher average loan book and higher yields
- The balance sheet of the company grew from INR 7974 crore (FY22) to INR 9372 crore(FY23), an increase of 18%
- Overall business volumes grew by 38% year-on-year from INR 19,871 Crores (FY22) to INR 27,410 Crores (FY23) , primarily backed by 24% increase in balance sheet volume from INR 9469 Crores (FY22) to INR 11,767 Crores (FY23) and 86% growth in Placement volumes from INR 7,079 Crores in FY 22 to INR 13,135 Crores in FY 23.
- Strong profitability indicators with profit after tax attributable to the owners increasing >34% year-on-year from INR 172 Crores (FY22) to INR 230 Crores (FY23) at consolidated level

- Strong Capital Adequacy at 20.77%, D:E ratio of 3.65x and maintained Liquidity buffer equivalent to 3 months requirement
- Maintained Stage 1 and Stage 2 provision of INR 85 Crores (1.04% of Stage 1 and Stage 2 exposure) resulting in a healthy overall Provision of 1.4%
- Our customer base currently stands at ~0.78 Million, with our employee base stood at ~580 employees as on Mar-23

B. **Credit Rating**

Our credit rating was upgraded from A+ to AA- during the year by ICRA. We believe that this will help us access a more diversified set of investors and open the doors to newer segments who have a minimum AA category threshold. It will also help us access debt capital markets through public issuances. It should bring down our cost of funding, which will boost our spreads and profitability. It will also aid growth as we will be able to lend to clients who were earlier not sufficiently profitable.

C. Strategic Overview

Our strategic emphasis is to -

- Strengthen - Grow and strengthen our existing businesses where we are pioneers
- Grow – Grow our new business lines
- Reimagine – Reimagine our way of functioning in the new age; Make ubiquitous use of technology and data

Our key tactical strategies are –

- Enhance our ecosystem by growing and deepening relationships with our partners, while scaling up our technology products to further improve customer experience and enhance efficiency
- Expanding to adjacencies into newer forays of sectors such as Climate, Gold, etc.
- Expand our fund management business in terms of products, investors and jurisdictions
- Scale the Direct to Customer financing business to enhance risk adjusted returns
- Credit first principles with focus on managing credit cost efficiently
- Continue to diversify our source of funds and widen our lender base to scale our borrowing requirements while lowering costs
- Continue expanding our strategic focus on ESG, with a directional emphasis on Climate Smart Financing

D. Opportunity and Threat analysis

Opportunities

- Industry leadership with dominant position
- Serving the under-served retail markets
- Revival in rural consumption
- New pivots of growth: co-lending, direct retail lending, and wealth distribution
- Strong brand pedigree and successful track record
- Building a strong distribution network
- Digitalisation and data driven decision making

Threats

- Regulatory challenges and credit availability
- Impact on demand in the backdrop of sustained inflation
- Fast changing interest rate environment

E. New initiatives

- We rapidly continue to build our digital infrastructure –
  (i) AltiFi: AltiFi is a retail investment platform that democratizes the debt securities on the Northern Arc balance sheet for investment opportunities to retail individuals and corporates.
  (ii) Nu Score: Nu is a tailored machine learning based analytical module designed to assist our originator partners in the loan underwriting process and help them take effective credit decisions

(iii) nPOS: nPOS is a fully integrated API based technology solution that seamlessly integrates with the systems of both Originator Partners and Investor Partners, facilitating co-lending processes
(iv) Nimbus: A curated debt platform that enables flow of credit to our Originator Partners either through our balance sheet or through our Investor Partners.

F. Subsidiaries

Your Company has five (5) subsidiary companies, i.e., Northern Arc Investment Managers Private Limited; Pragati Finserv Private Limited, Northern Arc Foundation (a company incorporated under section 8 of the Act), Northern Arc Investment Adviser Services Private Limited and Northern Arc Securities Private Limited. The details of subsidiaries are as follows:

i. Northern Arc Investment Managers Private Limited (NAIM)

FY23 proved to be a year of resilience as NAIM successfully navigated significant external challenges such as reduced system liquidity, changes in MLD taxation structure and AIF and PMS regulatory changes. FY23 saw NAIM bolster its exit track record by delivering three fund exits taking the total to 5 out of 8 closed ended funds. NAIM closed FY23 with cumulative investor commitments of ~INR 5,000 crore and launched its tenth AIF with total investments of INR 6,680 crores across sectors and expanded its investor base to 700+ investors. We added 370+ new investors across corporates, family offices, high net worth individuals, global and domestic funds, and development finance institutions, highlighting the growing recognition and trust in our platform.

During the year, NAIM completed the setup of its first ever offshore office based out of GIFT City, paving the way to increased dollar denominated AUM inflows from offshore investors and HNIs. In terms of new offerings, NAIM completed the first close of the Northern Arc Emerging Corporate Bond Fund in Nov-22, This marked the first fund to invest in mid and small-size corporates, thereby broadening NAIM’s investment capabilities beyond financial institutions. We also received the in-principal approval for its first ever Separately Managed Accounts for a ticket size of INR 120 crore. The Northern Arc Money Market Alpha Fund continued to remain our flagship fund, providing a viable alternative for investors to park their short-term funds (3-6 months) with a target return of 9-10%. The Fund achieved a peak AUM of INR 1,395 crore in Jan-23 and maintained an Average AUM of INR 1250 crore in FY23.

Within the Portfolio Management Services platform, NAIM launched Northern Arc Income Builder - Series B, the Second Discretionary PMS portfolio of Listed Principal Protected MLDs with a target size of INR 175 crore. The Non-Discretionary PMS portfolio was also launched, providing investors with a curated set of investments, diversification benefits, easy exit options, superior risk adjusted returns and the advantage of Northern Arc's specialized asset management and high touch monitoring.

NAIM made it to the ImpactAssets50 list (an annual showcase featuring fifty fund managers from across the world who led their respective fields in creating positive social impact, while generating financial returns for investors) consecutively for the third year in FY23. NAIM was yet again featured in the 'Most Consistent Top Performing Private Debt Fund Manager' list by Preqin, while Asia Asset Management awarded us the “Best House for Alternatives-India”. Further, NAIM won the prestigious 'Social Impact Award' at the IVCA Conclave 2023, marking another significant milestone in our journey.

ii. Pragati Finserv Private Limited

Pragati serves the diverse needs of customers belonging to low-income households of rural and semi-urban areas. It aims to become a one stop lending shop for its borrowers covering small ticket personal and business loans, two-wheeler loans, business LAP loans, home improvement loans, commercial vehicle loans etc. Pragati aspires to have a national footprint and deliver its product nationally and be a dominant player in its area of operation.

The current product offering of Pragati is Krushi JLG loan for rural women customers with a ticket size of 30k to 75k. JLG graduate loan (Shakti) of Ticket Size - 75k to 125K) with various end uses like 2,3-wheelers, Commercial vehicles, Home Improvement & WASH, Agri, Education and Dairy is expected to be launched shortly. A product for Small Ticket Business Loans (Vyapar) with a Ticket Size 125k – 500k is being developed, which will be launched. The total portfolio of Pragati as of 31st March 2023 is INR 792 Cr with 2.60 Lakh active customers.

iii. Northern Arc Foundation:

At Northern Arc, our goal is to contribute to the well-being of the communities and society we cater to and on which we depend. At the same time, we also aim to align our company's social and environmental activities with its business purpose and values. This we believe will enhance our reputation and contribute to business results. Through our CSR programs, we are aiming to fulfill our true potential, and expect to spend across various community development programs across the sectors, communities, and geographies, where we create an impact. Northern Arc Foundation ("Foundation") acts as the CSR arm for Northern Arc Capital and focuses on skill building, employment development and education.

Your company supported the following initiatives during Financial Year 2022-23:

a) Providing free treatment to patients in Tamil Nadu through Ashwini Charitable Foundation.
b) Financial literacy training for MFI customers.
c) Providing need-based support for food supplies, healthcare and livelihood support and education through Punyatma Prabhakar Seva Mandal and Vama Trust.
d) Continued support to our education initiatives through the Doorstep School, Swadha Foundation and a collaboration with Ecosoft.
e) Providing Ambulatory Services for building of Sai Aashraya Super Speciality Hospital.

iv. Northern Arc Investment Adviser Services Private Limited (NAIA)

NAIA was established to provide high quality advice and products in asset classes that impact the financially excluded. During FY23, the Company continued to offer transaction advisory services.

v. Northern Arc Securities Private Limited (NAS)

Northern Arc Securities has been established as a 100% subsidiary of Northern Arc Capital to register as a stockbroker in the debt segment. The company has filed an application with both the NSE and the BSE for the same. After the receipt of the broking registration, the company will register itself as an Online Bond Platform Provider in line with SEBI regulations. It will subsequently be responsible for the operations of the AltiFi platform.

FIXED DEPOSITS

The Company being non-deposit taking Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC), has not accepted any deposits during the year under review. Further, the Company had also passed a resolution to the effect that the company has neither accepted public deposit nor would accept any public deposit during the year under review, as per the requirements of Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

RESPONSIBLE AND SUSTAINABLE FINANCE

We operate with the vision to be a trusted platform that enables the flow of finance from capital providers to users in a reliable and responsible manner. We operate with the mission to enable access to finance for the underbanked in an efficient, scalable and reliable manner. We seek to mitigate the risk of environmental and social adverse effects that may be posed to us on account of our financings by financing responsibly. We aim to finance businesses that take a responsible approach towards the environment, society and governance. Our offerings contribute towards meeting 8 of 17 targets of United National Sustainable Development Goals (UNSDG). We have made significant social impact over the years, since our inception, through our financing. In recent years we have focused on financing businesses that contributes in achieving net zero. We are committed to become a data-driven impact financier and have been advancing in setting frameworks and measures for impact measurement to demonstrate the impact created by Northern Arc to our investors.
Northern Arc over the years has developed a strong inclination towards improving its performance not only against the financial and governance parameters, but also against the elements of the environmental and Social risks. We are continuously calibrating our environmental and social management systems in accordance with the global framework on ESG. .
Our commitment towards ESG in our business practice is to deploy finance responsibly to support individuals and businesses for the betterment of their livelihood and wellbeing. Our ESG related policies and frameworks are positioned for a redefined purpose in our actions to create values for all the individuals we reach by being conscientious to our clients and suppliers, and being a responsible employer to our employees. We value adhering to standards and conditions that reflects us functioning as a responsible business in terms of conduct, employee safety & satisfaction, fair pay, improved client experience, and uphold human rights. Our ESG Policy form the foundation of our responsible financing practice as way of mitigating and managing the risk that would be incurred due to adverse environmental and social impact from the business we finance.
The organizations proclivity for a ESG driven purpose in its functioning is governed and monitored by our Board of Directors by forming an ESG Board Committee. The company's ESG strategy and the roadmap with priorities, targets and initiatives are formulated by this committee. The commitment towards the elements of ESG from the apex body of the company enables us to progress and align ourselves with the best management practices to improve our environmental and social performance. We're taking steps to disclose our ESG related measures and performances as an initiative to engage with our shareholders and stakeholders.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year or the previous year. Total foreign exchange outgo during the year under review was INR 930.84 Lakhs (previous year: INR 831.51 Lakhs) under the heads listed below:

(in Lakhs)

Head of Expense	March 31, 2023	March 31, 2022

Subscription	0.00	0.00
Consultancy charges	357.06	368.91
Advertisement and publishing	0.00	4.64
Loan processing fees	573.78	457.96
Total	**930.84**	**831.51**

MEETING OF INDEPENDENT DIRECTORS

In terms of Para VII of the Code for Independent Directors, your Company conducted a meeting of its independent directors on March 13, 2023, without the presence of non-independent directors and members of the management. The Directors, inter alia, discussed the following:

a) review the performance of non-independent directors and the Board as a whole.
b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
c) assess the quality, quantity, and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

STATUTORY AUDITORS AND AUDITORS REPORT

The shareholders at the extraordinary general meeting held on January 05, 2022 had appointed S.R. Batliboi & Associates LLP, Chartered Accountants, having ICAI Firm Registration No: 101049W/E300004 as the statutory auditors of the Company based on recommendation of audit committee, board of directors and after obtaining a confirmation on eligibility under Section 141 of the Act from S.R. Baliboi & Associates LLP for being appointed as Statutory Auditors of the Company to fill the casual vacancy. Since the appointment of S.R. Baliboi & Associates LLP was to fill the casual vacancy, the appointment was made for one financial year, ie for the financial year ended on March 31, 2022.

The shareholders at the annual general meeting held on 30th September 2022 approved the re-appointment of S.R. Batliboi & Associates LLP, Chartered Accountants, having ICAI Firm Registration No: 101049W/E300004 as statutory auditors of the Company based on recommendation of audit committee, board of directors and after obtaining a confirmation on eligibility under Section 141 of the Act from S.R. Batliboi & Associates LLP and RBI's Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.

There has been no qualification, reservation or adverse remark given by the Statutory Auditors in their Report for the year under review.

REPORTING OF FRAUDS BY THE AUDITORS TO THE COMPANY

During the year, the Auditors have not reported any instance of fraud to the Audit Committee and Board as per Section 143 (12) of the Companies Act, 2013.

COMPLIANCE

Your Company is registered with Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934. Further, your Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations and it does not carry on any other those specifically permitted by RBI for NBFCs.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

In terms of Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 NBFC Companies are excluded from the applicability of Section 186 of the Act, 2013, where the loans, guarantees and securities are provided in the ordinary course of its business.

Details of investments under Section 186 of the Act, 2013 for the financial year 2022-23 are provided in the financial statements.

POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The policy on directors' appointment is based on the evaluation of fit and proper criteria for directors by the Nomination and Remuneration Committee prior to appointment of directors. At present, only the Managing Director cum Chief Executive Officer receives remuneration from the Company.

The Company's policy on directors' appointment and remuneration along with Terms of Reference and other matters provided in Section 178(3) of the Act is available on website of the Company and the weblink for the same is https://www.northernarc.com/governance.

BOARD MEETINGS

During financial year 2022-23, five meetings of the Board of Directors were held on the following dates:

10th May 2022
27th June 2022
28th July 2022
4th November 2022
9th February 2023

COMMITTEES OF BOARD OF DIRECTORS

The Company has various Committees which have been constituted as a part of good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

Audit Committee

Pursuant to provisions of Section 177(8) of the Companies Act, 2013, the composition of Audit Committee of the Company as on March 31, 2023, was as follows:

Name	Category

Mr. Ashutosh Pednekar	Independent Director, Chairman of the Committee
Mr. P S Jayakumar	Independent Director
Ms. Anuradha Rao	Independent Director
Mr. N T Arun Kumar	Independent Director
Mr. TS Anantharaman	Nominee Director
Mr. Vijay Nallan Chakravarthi	Nominee Director

Audit Committee was last reconstituted by the Board of Directors on February 9, 2023.

The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

Nomination and Remuneration Committee

The Composition of Nomination and Remuneration Committee of the Company as on March 31, 2023, was as follows:

Name	Category
Ms. Anuradha Rao	Independent Director, Chairperson of the Committee
Mr. P S Jayakumar	Independent Director
Mr. Michael Jude Fernandes	Nominee Director

The Nomination and Remuneration Committee was last reconstituted by the Board of Directors on July 28, 2022.

The Terms of Reference for the Nomination and Remuneration Committee are below:

a) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

b) formulation of criteria for evaluation of the performance of independent directors and the Board;

c) devising a policy on diversity of the Board;

d) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;

e) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

f) recommend remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;

g) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

h) recommend to the Board, all remuneration, in whatever form, payable to senior management;

i) performing such functions as are required to be performed by the compensation committee under the SEBI SBEB Regulations;

j) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

k) ensuring ‘fit and proper’ status of proposed and existing directors in terms of the Master Directions;

l) analysing, monitoring and reviewing various human resource and compensation matters;

m) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

n) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    - The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and

o) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.

DIRECTORS’ RESPONSIBILITY STATEMENT

The directors’ responsibility statement as required under section 134(5) of the Companies Act, 2013, reporting the compliance with the Accounting Standards is attached and forms a part of the Board’s Report.

The Directors accept the responsibility for the integrity and objectivity of the Profit & Loss Account for the year ended March 31, 2023 and the Balance Sheet and Cash Flow Statement as at that date (“financial statements”) and confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
d) the directors have prepared the annual accounts on a going concern basis;
e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

The evaluation of all the Directors, the Board as a whole and each of the Committees of the Board was conducted based on the following criteria as recommended by the Nomination & Remuneration Committee adopted by the Board.

Evaluation criteria for independent directors and non-executive directors:

1. Understanding of the business of the company and contribution towards its strategic direction.
2. Attendance and participation in Board Meetings, whether in person, telephone or via video conferencing
3. Providing timely and effective inputs on minutes and other materials circulated to the Board
4. Inter-personal relations with the rest of the Board and management
5. Adherence to ethical standards and disclosure of non-independence, where it exists

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

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." Internal Complaints Committee (ICC) has been set up to redress complaints, as and when received, regarding sexual harassment and all employees are covered under this Policy.

The Policy has been hosted on the Company's website: https://www.northernarc.com

There were no referrals received by the Committee, during the financial year 2022-23.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in prescribed form is available on the Company's website in the link as provided below:
https://www.northernarc.com.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. M Damodaran & Associates LLP, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company for FY 2022-23. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as ***Annexure 1***.

M Damodaran & Associates LLP, Secretarial Auditor has mentioned a observation in the Secretarial Audit Report that The Company does not have server physically located in India for the daily backup of certain books of accounts and other books and paper maintained in electronic mode on a daily basis. Subsequent to the year end, the Company has taken steps to ensure backups for such applications maintained by third party are taken on a daily basis in a server physically located in India.

EMPLOYEE STOCK OPTION SCHEME

Your company introduced the Employee Stock Option Plan, providing grants to employees of your Company and its subsidiaries. The details of the Employee Stock Option Plan as required to be provided under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are annexed to this Report as ***Annexure 2*** and forms an integral part of the Report.

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of this report. We also hereby confirm that there has been no change in the nature of business of the Company.

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

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status operations of your Company in future.

RELATED PARTY TRANSACTIONS

The Company has adopted a policy on related party transactions for the purpose of identification, monitoring and approving of such transactions. The Related party policy is available on website of the Company and the weblink for the same is https://www.northernarc.com/ governance. During the year, your Company has not entered into any transactions with Related Parties which are not in the ordinary course of its business or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Companies Act, 2013. Hence, no particulars are being provided in Form AOC-2. Related Party disclosures, as per IND-AS have been provided in Notes to the financial statement.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES, OR ASSOCIATES OF THE COMPANY DURING THE YEAR.

During the year, the Company incorporated a new subsidiary in the name of Northern Arc Capital Limited, which is expected to apply for the stock broking license as applicable for online bond platforms as mandated under SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/154 dated November 14, 2022.

Further, with the infusion of further equity into Finreach Solutions Private Limited (Finreach), Finreach became an associate company of Northern Arc Capital Limited within the meaning of Section 2(6) of the Companies Act, 2013.

RISK MANAGEMENT POLICY

In the opinion of the Board, the Company has, since inception developed and implemented Risk Management policies and procedures that are sufficient to combat risks that may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in ***Annexure 3*** of this report in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014.

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The completeness and adequacy of internal financial controls of the Company was evaluated by an independent audit agency and report of the same has been shared with the Statutory Auditors of the Company. The same has also been presented to the Audit Committee, based on which the Board has certified that the internal financial controls are adequate and are operating effectively.

REQUIREMENTS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosure to be made under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Ratio of remuneration of each director to the median employee's remuneration for the financial year:

Sr. No.	Name of Directors (Executive Director)	Director's Remuneration (in INR)	Employees' Median Remuneration (in INR)	Ratio
1.	Mr. Ashish Mehrotra MD & CEO	38,500,005	4,30,461.00	1:89
2.	Bama Balakrishnan Executive Director	3,40,12,299	4,30,461.00	1:79

Percentage increase in remuneration of each director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary in the Financial Year vis-à-vis last financial year:

Name of director/ Key Managerial Personnel	% increase in remuneration vis-à-vis last financial year
Mr. Ashish Mehrotra, Executive Director	40%
Ms. Bama Balakrishnan, Executive Director	9%
Mr. Atul Tibrewal	9%
Ms. R. Srividhya, Company Secretary	9%

- Percentage increase in the median remuneration of employees in the financial year: -42 %
- Number of permanent employees on the rolls of the company: 582 (as of 31st March 2023)
- Average percentage increase in the salaries of employees other than the KMP in FY 2022-23: 11%* and percentage increase in key managerial remuneration: 13%
- Affirmation that the remuneration is as per the remuneration policy of the company: The Company affirms that remuneration of directors and employees of the company is in accordance with the remuneration policy of the company.
  **the average increase in salaries of employees based on performance appraisal during the last year.*

PARTICULARS OF EMPLOYEES UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is in a separate **Annexure 4** forming part of this report. A copy of the Board's Report is being sent to all the members excluding Annexure 4. The said Annexure is available for inspection by the members at the Registered Office of the Company during business hours on working days. Any member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Adequate vigil mechanism for directors and employees to report genuine concerns is in place and the same have been disclosed on the website of the company, www.northernarc.com. No references under the whistle blower policy were received during the Financial Year 2022-23. The same has also been affirmed by the Audit Committee of the Board on a quarterly basis.

SECRETARIAL STANDARDS COMPLIANCES

The company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

The Directors wish to thank the Reserve Bank of India and other statutory authorities for their continued support and guidance. The Directors also place on record their sincere thanks for the support and co-operation extended by the bankers and shareholders of the Company.

The Directors also thank the employees of the Company for their contribution toward the performance of the Company during the financial year.

On behalf of the Board

For Northern Arc Capital Limited

P S Jayakumar **Independent Chairman** **DIN: 01173236**	**Ashish Mehrotra** **Managing Director & CEO** **DIN: 07277318**

Date: 04.12.2023
Place: Chennai

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]).

To,
The Members,
NORTHERN ARC CAPITAL LIMITED
(CIN: U65910TN1989PLC017021)
No. 1, Kanagam Village,
10th Floor, IITM Research Park,
Taramani, Chennai – 600113.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. NORTHERN ARC CAPITAL LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31.03.2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

M DAMODARAN & ASSOCIATES LLP

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31.03.2023** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (to the extent applicable)

(a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – *Not applicable during the audit period*;

(vi) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the Systemically Important non-deposit taking Non-Banking Financial Company.

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M DAMODARAN & ASSOCIATES LLP

I have also examined compliance with the applicable Clauses of the following:

i. Listing Agreements entered into by the Company with the BSE Limited & National Stock Exchange of India Limited; and

ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

The Company does not have server physically located in India for the daily backup of certain books of accounts and other books and papers maintained in electronic mode on a daily basis. Subsequent to the year end, the company has taken steps to ensure backups for such applications maintained by third party are taken on a daily basis in a server physically located in India.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

Adequate notice is given to all directors to schedule the Board & Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice with the consent of all the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

I further report that during the audit period the company has;

a) issued Redeemable Non-Convertible Debentures on various dates on private placement basis.

b) redeemed the Redeemable Non-Convertible Debentures on various dates.

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c) allotted 1,36,150 Equity Shares of Rs. 10/- each under Northern ARC Employee Stock Option Schemes on various dates.

d) Incorporated Subsidiary Company on 23.02.2023 for obtain a stockbroking in the debt segment license and to operate as an online bond platform.

I further report that during the audit period the shareholders of the company, *inter alia*, has;

a) passed Special Resolution under section 62 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on 27th June, 2022 to approve the amendments and adoption of the Northern Arc Employee Stock Option Scheme II, 2016.

b) passed Special Resolution under section 149, 197, 198 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on 27th June, 2022 for the increase of remuneration of Mr. P S Jayakumar, Non-Executive Independent Chairman of the Company from Rs. 30 lakhs p.a. to 70 lakhs p.a., payable quarterly, in the form of profit related commission (exclusive of applicable taxes) within the applicable limits stipulated under the Companies Act, 2013 and the Rules made thereunder.

c) passed Special Resolution under section 197, 198 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on 27th June, 2022 for the payment of one-time remuneration of Rs. 1.50 cr (Rupees One Crore Fifty Lakhs Only) in the form of profit related commission (exclusive of applicable taxes) to Dr. Kshama Fernandes, Non-executive Director of the Company, within the applicable limits stipulated under the Companies Act, 2013 and the Rules made thereunder.

d) passed Special Resolution under section 42, 71 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on 27th June, 2022 for issue of secured/unsecured non-convertible debentures in one or more tranches up to a maximum amount not exceeding Rs. 5,000 Cr. (Rupees Five Thousand Crore) during a period of one year.

e) passed Special Resolution under section 5 & 14 of the Companies Act, 2013 at the Extra-ordinary General Meeting held on 19th January, 2023 to approve revisions to the Articles of Association of the Company.

f) passed an Ordinary Resolution under section 139 and 142 of the Companies Act, 2013 at the Annual General Meeting held on 30th September, 2022 to re-appoint S.R. Batliboi & Associates, LLP, Chartered Accountants, having registration No. 101049W/E-300004 as statutory auditors of the Company for the financial years 2022-23 & 2023-24.

M DAMODARAN & ASSOCIATES LLP

g) passed Special Resolution under section 186 of the Companies Act, 2013 at the Annual General Meeting held on 30th September, 2022 to give consent to the Board of Directors of the Company for investing the funds of the company not exceeding Rs 2,200 cr (Rupees Two Thousand Two Hundred Crores Only).

h) passed Special Resolution under section 149 and 152 of the Companies Act, 2013 at the Annual General Meeting held on 30th September, 2022 for re-appointment of Ms. Anuradha Rao (DIN: 07597195) as an Independent Director of the Company for a period of 3 consecutive years from 31th October, 2022 to 30th October, 2025.

i) passed Special Resolution under section 197 and 198 of the Companies Act, 2013 at the Annual General Meeting held on 30th September, 2022 for payment of remuneration to non-executive directors of the Company in excess of prescribed limit of 1% of the net profits of the Company computed in accordance with Section 198 of the Act, in any financial year(s) during their remaining tenures as directors of the Company.

j) passed Special Resolution under regulation 17(6) (e) of SEBI LODR at the Annual General Meeting held on 30th September, 2022 for payment of remuneration to non-executive directors (including Independent Directors) of the Company in excess of 50% of the remuneration payable to all non-executive directors during the financial year 2022-23.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai
Date: 11.05.2023

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000293401

(This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report)

M DAMODARAN & ASSOCIATES LLP
www.mdassociates.co.in

'Annexure A'

To

The Members,
NORTHERN ARC CAPITAL LIMITED,
(CIN: U65910TN1989PLC017021)
No. 1, Kanagam Village,
10th Floor, IITM Research Park,
Taramani, Chennai – 600113.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai
Date: 11.05.2023

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN:F005837E000293401

M DAMODARAN & ASSOCIATES LLP

Annexure 3

Disclosure relating to Employees Stock Option Scheme in accordance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

		*Scheme 1**	*Scheme 2**	*Scheme 3**	*Scheme 4**
(a)	Options granted	382371	3463550	1067936	880000
(b)	Options vested	8000	1536500	763484	112500
(c)	Options exercised	374371	1085550	169352	0
(d)	The total number of shares arising as a result of exercise of option	-	-	-	-
(e)	Options lapsed	339000	3738950	935688	0
(f)	The exercise price	10	110-121-181-188-210-275	181-188-275	275
(g)	Variation of terms of options	-	-	-	-
(h)	Money realized by exercise of options	374371	1085550	169352	-
(i)	Total number of options in force	382371	2622050	932836	112500
(j)	Employee wise details of options granted to:	8000	1536500	763484	112500
	(i) key managerial personnel;	2,56,371 No's	14,95,000 No's	4,24,628 No's	6,85,000 No’s
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	None	None	None	None
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	None	None	None	None

***Note:** Scheme 1, Scheme 2 and Scheme 3 mentioned above refers to IFMR Capital Employees Stock Option Plan - Scheme I**,** IFMR Capital Employees Stock Option Plan - Scheme II; and Northern Arc Capital Limited Employees Stock Option Scheme 2018 respectively.

Annexure 4

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company**

The company's CSR policy is in line with the mission of ensuring access to financial services to every individual and enterprise. During the FY 2022-23, the company contributed towards developing the society by providing Food, clothes and shelter to the elderly and Poor people. Also contributed to build the infrastructure for development of poor people. The Company also provides educations to many under-privileged and marginalized children and older students lost their access to education in ways that will never be the same for them.

The complete CSR policy of the Company can be accessed on the company's website at www.northernarc.com.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ashutosh Pednekar	(Chairperson) Independent Director	1	1
2	Mr. Michael Fernandes	Nominee Director	1	1
3	Dr. Kshama Fernandes	Non-Executive Director	1	1
4	Mr. Ashish Mehrotra	Managing Director & CEO	1	1

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://www.northernarc.com/governance.

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

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

6. **Average net profit of the company as per section 135(5):** INR 1,41,13,60,308
7. **(a) Two percent of average net profit of the company as per section 135(5):** INR 2,82,27,206

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL

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

   (d) Total CSR obligation for the financial year (7a+7b-7c): INR 2,82,27,206

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,76,62,000	NIL	--	--	--	--

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project Duration	Amount Allocated For the Project (Rs)	Amount Spent in the current financial year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Dist.						Name	CSR Regn number.
--	--	--	--	--	--	--	--	--	--	--	--	--

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	Dist			Name	CSR registration number.
1.	Doorstep School	Balwadi programs for pre-primary children in the slums of Mumbai.	No	Maharashtra	Mumbai	0.15 crores		Northern Arc Foundation	
2.	Swadha Foundation	Opening of the Tumkur study centre where around 30 economically underprivileged students are expected to be benefit	No	Karnataka	Tumkur	0.40 crores		Northern Arc Foundation	
3.	Dr. Subramaniam (Ashwini Charitable Foundation)	Free treatment to patients in 5 districts in Southern Tamil Nadu.	No	Tamil Nadu	-	0.10 crores		Northern Arc Foundation	
4.	Vama Trust	Elderly care centre food, shelter and clothing .	No	Tamil Nadu	Tenkasi	0.30 crores		Northern Arc Foundation	

5.	Sai Aashraya Super Speciality Hospital	Ambulatory services for building of Sai Aashraya Super Speciality Hospital to be built near	Yes	TamilNadu	Chennai	0.10 crores		Northern Arc Foundation	
6.	Punyatma Prabhakar Seva Mandal	Food. Medical expenses, management of poor tribal children for 6 months.	No	Maharashtra	Mumbai	0.36 crores		Northern Arc Foundation	--
7.	Ecosoft	School initiatives	Yes	Tamil Nadu	Chennai	2.00 crores		Northern Arc Foundation	--
8.	Cuddles Foundation	Nutrition care for children affected with cancer	NO	Maharashtra	Mumbai	0.15 crores		Northern Arc Foundation	--
9.	Sparsh Hospice	Centre for Palliative care for cancer patients	No	Telangana	Hyderabad	0.15 crores		Northern Arc Foundation	--
10.	Other overheads, expenses, attributable to CSR					0.05 crores		Northern Arc Foundation	--

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 3,76,62,000

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

SI No.	Particulars	Amount (in Rs)
(i)	Two percent of average net profit of the company as per section 135(5)	2,82,27,206
(ii)	Total amount spent for the Financial Year	3,76,62,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	94,34,794
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	94,34,794

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

S No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2019-20	40,00,000	40,00,000	NA	NA	NA	NA
2	2020-21	NIL	NIL	NA	NA	NA	NA

3	2021-22	NIL	NIL	NA	NA	NA	NA
	Total						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1	--	--	--	--	--	--	--	--
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

(asset-wise details).

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

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

Sd/-

Ashish Mehrotra
Managing Director & Chief Executive Officer
DIN: 07277318

Sd/-

Ashutosh Pednekar
Chairman of CSR Committee
DIN: 00026049

Place: Chennai
Date: 04.12.2023

ADVISORY - COMPLIANCE - SECRETARIAL

M DAMODARAN & ASSOCIATES LLP

www.mdassociates.co.in

SECRETARIAL COMPLIANCE REPORT OF NORTHERN ARC CAPITAL LIMITED FOR THE FINANCIAL YEAR ENDED 31.03.2023

(Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019)

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **NORTHERN ARC CAPITAL LIMITED** (hereinafter referred as 'the Company'), having its Registered Office at No. 1, Kanagam Village, 10th Floor, IITM Research Park, Taramani, Chennai – 600113. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the company has, during the review period covering the financial year ended on **March 31, 2023** ("Review Period") complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

I have examined:

a) all the documents and records made available to me and explanation provided by the Company,
b) the filings/ submissions made by the Company to the stock exchanges,
c) website of the Company,
d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the Review Period in respect of compliance with the provisions of:

M DAMODARAN & ASSOCIATES LLP

Corporate Office : New No. 6, Old No. 12, Appavoo Gramani 1st Street, Mandaveli, Chennai, Tamil Nadu - 600028 Ph : +91 44 4360 1111 E-mail : secretarial@mdassociates.co.in
Branch Office : 530/B, Sri Sai Nilaya, 18th Main Road, Sector-3, HSR Layout, Bengaluru, Karnataka - 560 102. Ph : +91 80 4174 0768 E-mail : info.blr@mdassociates.co.in

i. Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
ii. Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations prescribed under the SEBI Act whose provisions and the circulars/guidelines issued thereunder, (wherever applicable), have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - *Not Applicable during the review period.*

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - *Not Applicable during the review period.*

d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – *to the extent applicable to debt listed companies during the review period.*

e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. – *Not Applicable during the review period.*

h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – *Not Applicable during the review period.*

j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - *Not Applicable during the review period.*

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and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

a. The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, during the review period.

b. The Company was not required to take any actions as there were no observations made by the Secretarial Auditor in previous reports.

c. The Company has suitably included the conditions as mentioned in Para 6(A) and Para 6 (B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in terms of re-appointment of statutory auditor of the Company during the review period.

I hereby further report that, during the Review Period the compliance status of the Company is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-

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2.	Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI.	Yes	-
3.	Maintenance and disclosures on Website: • The Company is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes Yes NA	-
4.	Disqualification of Director: None of the Director(s) of the Company is disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.	Yes	-
5.	Details related to Subsidiaries of the Company have been examined w.r.t.: (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	Yes	The Company does not have any material subsidiary

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6.	Preservation of Documents: The Company is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	Performance Evaluation: The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	-
8.	Related Party Transactions: (a) The Company has obtained prior approval of Audit Committee for all related party transactions; or (b) The Company has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes Not Applicable	- -
9.	Disclosure of events or information: The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10.	Prohibition of Insider Trading: The Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-

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11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the Company / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	-
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	-

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the Company.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai
Date: 29.05.2023

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000412364

INDEPENDENT AUDITOR'S REPORT

To the Members of Northern Arc Capital Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Northern Arc Capital Limited** (the "Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other 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), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Impairment loss allowance for financial instruments (loan and investments) based on expected credit loss model – refer notes 3.6, 3.7, 7, 8, 18, 27 and 36 to the standalone financial statements</u></td></tr>
<tr><td>Financial instruments, which include Loans and Investments, represents a significant portion of the total assets of the Company. The Company has loans aggregating 6,89,030 lakhs and investments aggregating 1,69,665.29 lakhs as at March 31, 2023.

As per the expected credit loss model of the Company developed in accordance with the principles set out in Ind-AS 109 on Financial Instruments , the Company is required to estimate the probability of loss / expected loss based on past experience and future considerations. This involves a significant degree of estimation and judgement, including determination of staging of financial assets; estimation of probability of defaults, loss given defaults, exposure at defaults; and forward-looking factors, micro and macro-economic factors, in estimating the expected credit losses.

Additionally, regulatory changes on asset classification due to changes pursuant to RBI Circular dated November 12, 2021 read with RBI Circular February 15, 2022, have been collectively considered by the management in the classification / staging of financial assets including additional provision as part of its Expected Credit Loss provision on loans.

In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the financial statements, it is considered as a key audit matter.</td><td>Our audit procedures included the following:

► Read and assessed the Company's accounting policies for impairment of financial assets considering the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines.

► For expected credit loss provision against outstanding exposures classified across various stages, we obtained an understanding of the Company's provisioning methodology (including factors that affect the probability of default, loss given defaults and exposure at default; various forward looking, micro- and macro-economic factors), the underlying assumptions and the sufficiency of the data used by management and tested the same on a sample basis.

► Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation and computation.

► Assessed the criteria for staging of loans based on their past due status as per the requirements of Ind AS 109. Tested a sample of performing loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages.

► Performed tests of controls and details on a sample basis in respect of the staging of outstanding exposures, implementation of Company policy.

► Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking, micro and macro-economic factors.

► Tested assumptions used by the management in determining the overlay for macro-economic and other factors.

► Assessed disclosures included in the standalone financial statements in respect of expected credit losses.</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Fair valuation of financial assets held at fair value through other comprehensive income (“FVTOCI”) or fair value through profit and loss (“FVTPL”) (collectively “fair value”) – refer notes 3.8, 7, 8, 24 and 35 to the standalone financial statements</u></td></tr>
<tr><td>The Company has classified loans aggregating to 1,82,829.41 Lakhs and investments aggregating to Rs. 1,10,274 lakhs as held at fair value through OCI (FVTOCI) and investments aggregating to Rs. 48,895.91 lakhs as held at fair value through profit and loss (FVTPL) in accordance with Ind AS 109. Additionally, the Company is also required to disclose fair value of its financial assets and liabilities held at amortized cost in accordance with Ind AS 107.

The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of market data.

Given the degree of complexity involved in valuation of financial instruments, relative significance of these financial instruments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</td><td>In view of the significance of the matter, we applied the following key audit procedures, among others to obtain sufficient appropriate audit evidence:

► Evaluated and tested the design and operating effectiveness of the Company’s control over the assessment of valuation of investments.

► Involved the internal expert to assess the reasonableness of the valuation methodology and underlying assumptions used by the management to estimate the fair value for sample of investments.

► Assessed the appropriateness of the valuation methodology and challenged the valuation model considered for fair value computation

► Validated the source data and the arithmetical accuracy of the calculation of valuation of investments.

► Assessed the adequacy of disclosure in the standalone financial statements.</td></tr>
<tr><td colspan="2"><u>Information Technology (IT) systems and controls</u></td></tr>
<tr><td>Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction, hence we identified IT systems and controls as a key audit matter for the Company.

Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.

Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.

Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</td><td>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company:

► The aspects covered in the assessment of IT General Controls comprised: (i) User Access Management; (ii) Program Change Management; (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls in respect of information systems that are important to financial reporting (“in-scope applications”).

► Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting.

► Tested the periodic review of access rights, inspected requests of changes to systems for appropriate approval and authorization.

► Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT dependent manual controls in the system.

► Tested the design and operating effectiveness of compensating controls, where deficiencies</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
	were identified and, where necessary, extended the scope of our substantive audit procedures.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

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

Our opinion on the 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 such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the 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 the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books, except that the back-up of the certain books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on a daily basis, as stated in note 81A to the financial statements;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above; 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 on its financial position in its standalone financial statements – Refer Note 38 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.

      iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 81 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, other than as disclosed in the note 81 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; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company; and

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLZ8718
Place of Signature: Chennai
Date: May 11, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Northern Arc Capital Limited (the "Company")

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

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in two years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii)(a) The company's principle business is to give loans and is a registered Non-Banking Financial Company ("NBFC"), accordingly, reporting under clause (iii)(a) is not applicable.

(b) During the year 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, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans to retail customers as well as providing non-retail customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amounts, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except in respect of 1,86,826 loans with aggregate exposure of principal and interest of Rs 16,233.93 lakhs where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 81B to the standalone financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount outstanding of loans classified as credit impaired ("Stage 3") is Rs 6,310.92 lakhs in respect of 84,656 loans as at March 31, 2023, as disclosed in note 81B to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. However, there are delays in depositing of employee state insurance dues. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, except in case of employees' state insurance which were outstanding, at the year end for a period of more than six months from the date they became payable, as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Rs. In Lakhs.

Name of the Statute	**Nature of the Dues**	**Amount (Rs.)**	**Period to which the amount relates**	**Due Date**	**Date of Payment**	**Remarks, if any**
Employees' State Insurance Corporation	*ESI Payable*	*0.35 lakhs*	*January 2022 to October 2022*	*15th of the following month*	*Not Paid*	*NA*
Employees' State Insurance Corporation	*ESI Payable*	*0.17 lakhs*	*Mar-23*	*15-Apr-23*	*17-Apr-23*	*NA*

(vii)(b) According to the records of the Company, the dues of goods and services tax, service tax and income-tax have not been deposited on account of any dispute, are as follows:

Rs. In Lakhs.

Name of the statute	**Nature of the dues**	**Disputed Amount**	**Period to which the amount relates**	**Forum where the dispute is pending**
Income-Tax Act, 1961	Tax and interest	255.99	AY 2014-15	Income tax Appellate Tribunal
Income Tax Act, 1961	Tax and interest	172.54	AY 2017-18	Commissioner of Income tax (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) Monies raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds

(ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix)(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures:

(ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates. Hence, the requirement to report on clause (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.

(x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b),(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash losses in the current year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 80 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 30.2 to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 30.2 to the financial statements..

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLZ8718
Place of signature: Chennai
Date: May 11, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NORTHERN ARC CAPITAL LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of Northern Arc Capital Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these 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 these 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 these 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 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 these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 control 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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLZ8718
Place of Signature: Chennai
Date: May 11, 2023

Northern Arc Capital Limited
Standalone Balance Sheet as at March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	20,401.99	70,421.30
Bank balances other than cash and cash equivalents	5	18,314.20	8,734.44
Derivative financial instruments	12	6,104.84	151.85
Trade receivables	6	1,890.98	1,814.50
Loans	7	6,89,030.00	5,22,265.41
Investments	8	1,69,665.29	1,63,934.08
Other financial assets	9	4,501.98	7,067.38
		9,09,909.28	**7,74,388.96**
Non-financial assets			
Current tax assets (net)		2,127.90	4,056.59
Deferred tax assets (net)	31	3,442.89	1,360.33
Property, plant and equipment	10.1	219.85	157.86
Right of use asset	10.2	652.85	780.91
Intangible assets under development	10.3	98.87	28.44
Other Intangible assets	10.4	1,336.01	940.10
Goodwill	10.5	2,085.13	-
Other non-financial assets	11	601.63	1,807.59
		10,565.13	**9,131.82**
Total assets		**9,20,474.41**	**7,83,520.78**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	227.59	643.82
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,642.39	5,405.12
Debt securities	14	1,22,431.55	1,34,359.68
Borrowings (other than debt securities)	15	5,77,029.86	4,59,942.62
Subordinated liabilities	16	3,995.07	3,993.47
Other financial liabilities	17	9,780.97	5,598.94
		7,24,107.43	**6,09,943.65**
Non-financial liabilities			
Provisions	18	2,693.44	2,159.94
Other non-financial liabilities	19	958.45	425.75
		3,651.89	**2,585.69**
EQUITY			
Equity Share capital	20	8,903.13	8,890.75
Instruments entirely equity in nature	20	8,264.64	8,264.64
Other Equity	21	1,75,547.32	1,53,836.05
		1,92,715.09	**1,70,991.44**
Total liabilities and equity		**9,20,474.41**	**7,83,520.78**
Significant accounting policies	2 and 3		

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

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner
Membership No. 210934

Place : Chennai
Date : May 11, 2023

for and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Northern Arc Capital Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations			
Interest Income	22	1,12,255.24	75,550.32
Fee and Commission income	23	5,628.15	6,411.12
Net gain on fair value changes	24	5,327.33	4,749.96
Net gain on derecognition of financial instruments		2,034.23	-
Total revenue from operations		**1,25,244.95**	**86,711.40**
Other income	25	542.53	700.53
Total income		**1,25,787.48**	**87,411.93**
Expenses			
Finance costs	26	55,690.71	41,026.93
Fees and commission expense		15,947.57	5,273.22
Impairment on financial instruments	27	3,894.37	3,684.74
Employee benefits expenses	28	10,957.43	8,771.65
Depreciation and amortisation	29	1,026.14	911.82
Other expenses	30	7,966.32	5,034.73
Total expenses		**95,482.54**	**64,703.09**
Profit before tax		**30,304.94**	**22,708.84**
Tax expense	31		
Current tax		9,487.00	4,718.00
Deferred tax (net)		(1,717.67)	1,617.91
Total Tax expense		**7,769.33**	**6,335.91**
Profit for the period	**(A)**	**22,535.61**	**16,372.93**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit asset/ (liability)		120.32	(171.43)
Income tax relating to items that will not be reclassified to profit or loss		(30.28)	43.15
		90.04	**(128.28)**
Items that will be reclassified subsequently to profit or loss			
Fair valuation of Financial Instruments through other comprehensive income (Net)		(559.17)	(1,376.89)
Income tax relating to items that will be reclassified to profit or loss		140.74	346.56
		(418.43)	**(1,030.33)**
Net movement on effective portion of cash flow hedges		(1,010.85)	(2,092.39)
Income tax relating to items that will be reclassified to profit or loss		254.44	526.66
		(756.42)	**(1,565.73)**
Other comprehensive income for the year (net of income taxes)	**(B)**	**(1,084.81)**	**(2,724.34)**
Total comprehensive income for the year (net of income taxes)	**(A+B)**	**21,450.80**	**13,648.59**
Earnings per equity share of INR 10 each	32		
Basic (in rupees)		25.34	18.52
Diluted (in rupees)		17.03	12.43

Significant accounting policies 2 and 3
The notes referred to above form an integral part of standalone financial statements
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

for and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

per Bharath N S
Partner
Membership No. 210934

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Place : Chennai
Date : May 11, 2023

Northern Arc Capital Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

A. Equity Share Capital

Equity Share capital of INR 10 each Issued, Subscribed and Fully Paid	
Balance as at March 31, 2021	**8,792.15**
Changes in equity share capital during the year (Refer Note 20)	98.60
Balance as at March 31, 2022	**8,890.75**
Changes in equity share capital during the year (Refer Note 20)	12.38
Balance as at March 31 2023	**8,903.13**

B. Instruments entirely equity in nature

Balance as at March 31, 2021	8,264.64
Changes in compulsorily convertible preference shares during the year	-
Balance as at March 31, 2022	**8,264.64**
Changes in compulsorily convertible preference shares during the year	-
Balance as at March 31 2023	**8,264.64**

C. Other Equity

	Other equity								
	Reserves and surplus						**Other Comprehensive Income (OCI)**		
	Statutory Reserve	**Capital Redemption Reserve**	**Capital Reserve**	**Securities Premium**	**Shared Based Payment Reserve**	**Retained Earnings**	**Financial Instruments through OCI**	**Effective portion of cash flow hedge reserve**	**Total**
Balance as at April 1, 2022	**13,165.34**	**2,660.00**	**3.57**	**85,510.52**	**2,042.97**	**49,164.53**	**3,237.07**	**(1,947.95)**	**1,53,836.05**
Change in equity for the year ended March 31, 2023									
Premium received on shares issued during the year	-	-	-	168.51	(49.65)	-	-	-	118.86
Profit for the year	-	-	-	-	-	22,535.61	-	-	22,535.61
Transfer to general reserve				-	(434.51)	434.51			-
Transfer to statutory reserve	4,507.12	-	-	-	-	(4,507.12)	-	-	-
Employee stock compensation expense	-	-	-	-	141.61	-	-	-	141.61
Remeasurement of net defined benefit liability	-	-	-	-	-	90.04	-	-	90.04
Fair valuation of financial instruments (net)	-	-	-	-	-	-	(418.43)	(756.42)	(1,174.85)
Balance as at March 31 2023	**17,672.46**	**2,660.00**	**3.57**	**85,679.03**	**1,700.42**	**67,717.57**	**2,818.64**	**(2,704.37)**	**1,75,547.32**
Balance as at April 1, 2021	**9,890.76**	**2,660.00**	**3.57**	**83,897.44**	**2,297.81**	**36,194.47**	**4,267.40**	**(382.22)**	1,38,829.23
Change in equity for the year ended March 31, 2022									
Premium received on shares issued during the year	-	-	-	1,613.08	(575.51)	-	-	-	1,037.57
Profit for the year						16,372.93			16,372.93
Transfer to statutory reserve	3,274.58	-	-	-	-	(3,274.58)	-	-	-
Employee stock compensation expense	-	-	-	-	320.67	-	-	-	320.67
Remeasurement of net defined benefit liability	-	-	-	-	-	(128.28)	-	-	(128.28)
Fair valuation of financial instruments (net)							(1,030.33)	(1,565.73)	(2,596.06)
Balance as at March 31, 2022	**13,165.34**	**2,660.00**	**3.57**	**85,510.52**	**2,042.97**	**49,164.53**	**3,237.07**	**(1,947.95)**	**1,53,836.05**

Significant accounting policies 2 and 3
The notes form an integral part of standalone financial statements.
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner
Membership No. 210934

Place : Chennai
Date : May 11, 2023

for and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Northern Arc Capital Limited
Standalone Statement of Cash Flows for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		Note	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**			
	Profit before tax		30,304.94	22,708.84
	Adjustments for:			
	Depreciation and amortisation		1,026.14	911.82
	Write off of intangible assets under development		-	71.36
	Mark-to-market (gain) / loss on derivative contracts		-	(406.54)
	Interest income on loans, fixed deposits and investments		(1,12,255.24)	(75,550.32)
	Unrealised gain on alternative investment funds designated at fair value through profit or loss		1,335.97	(430.20)
	Gain on mutual funds investments designated at fair value through profit or loss		(720.30)	(396.98)
	Profit on sale of investments		(1,680.78)	(296.24)
	Impairment on financial instruments (net)		3,894.37	3,684.74
	Employee share based payment expenses		148.75	294.94
	Amortisation of discount on commercial papers		1,037.81	1,333.65
	Amortisation of ancillary costs relating to borrowings		1,631.80	1,538.75
	Finance costs		53,021.10	38,154.53
	Profit on sale of property, plant and equipment		(23.87)	-
	Interest income on income tax refund		(143.54)	-
	Net gain on dercognition of financial instruments		(2,034.23)	-
	Lease rental concession received		-	(40.97)
	Gain on account of termination of lease		-	(3.10)
	Operating profit before working capital changes		**(24,457.08)**	**(8,425.72)**
	Changes in working capital and other changes:			
	(Increase) / Decrease in other financial assets		2,672.60	(6,190.38)
	(Increase) in trade receivables		(72.69)	(379.44)
	(Increase) in loans		(1,97,744.79)	(1,49,690.25)
	(Increase) / Decrease in other non financial assets		1,356.80	(1,634.76)
	(Increase) / Decrease in other bank balances		(9,792.93)	(1,602.59)
	Increase in trade payables, other liabilities and provisions		9,988.37	5,953.14
	Cash used in operations		**(2,18,049.72)**	**(1,61,970.00)**
	Proceeds from de-recognition of financial assets recognised at amortised cost		38,538.00	-
	Interest income received on loans, fixed deposits and investments		1,12,273.53	73,503.28
	Finance cost paid		(54,542.00)	(39,209.22)
	Income tax paid (net)		(7,414.77)	(5,272.48)
	Net cash flow used in operating activities	**(A)**	**(1,29,194.96)**	**(1,32,948.42)**
B	**Cash flows from investing activities**			
	Purchase of Property, plant and equipment		(1,162.05)	(877.59)
	Proceeds from disposal of right of use assets		-	104.18
	Purchase of mutual fund investments		(4,52,960.00)	(1,95,800.00)
	Proceeds from sale of investments in mutual fund		4,53,680.30	1,96,196.98
	Investment in subsidiary		(494.40)	-
	Payment towards acquisition of business		(11,162.91)	-
	Payment towards transfer of assembled work force to subsidiary		(279.55)	-
	Purchase of investments measured at FVTPL		(5,677.11)	(1,06,676.41)
	Purchase of investments measured at FVOCI		(2,18,121.15)	(1,33,783.62)
	Purchase of investments measured at amortised cost		(7,258.59)	(22,350.16)
	Proceeds from sale of investments measured at FVTPL		17,477.06	1,15,837.56
	Proceeds from sale of investments measured at FVOCI		2,08,121.03	88,287.38
	Proceeds from sale of investments measured at amortised cost		-	21,357.70
	Net cash used in investing activities	**(B)**	**(17,837.37)**	**(37,703.98)**
C	**Cash flow from financing activities**			
	Proceeds from issue of debt securities		87,710.00	76,429.72
	Repayment of debt securities		(99,890.78)	(1,07,360.47)
	Proceeds from borrowings (other than debt securities)		4,13,787.51	3,25,100.00
	Repayment of borrowings (other than debt securities)		(3,04,804.91)	(92,880.79)
	Payment of lease liabilities		(353.80)	(138.45)
	Proceeds from issue of equity share capital including securities premium		131.24	1,136.17
	Net cash generated from financing activities	**(C)**	**96,579.26**	**2,02,286.18**
	Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(50,453.07)**	**31,633.78**
	Cash and cash equivalents at the beginning of the year		70,421.30	38,787.52
	Additions on account of acquisition (refer note 79)		433.76	-
	Cash and cash equivalents at the end of the year		**20,401.99**	**70,421.30**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		Note	As at March 31, 2023	As at March 31, 2022
	Notes to cash flow statement			
1	**Components of cash and cash equivalents:**	**4**		
	Balances with banks			
	- in current accounts		18,398.28	23,093.94
	- in deposit accounts		2,003.71	47,327.36
			20,401.99	**70,421.30**

2 The above cashflow statement has been prepared under the "indirect method" as set out in the Ind AS-7 on statement of cashflows specified under section 133 of the Companies Act, 2013.

3a **Non cash investing activity**

Particulars	As at March 31, 2023	As at March 31, 2022
Investing Activity		
Acquisition of right of use assets	116.73	350.62
	116.73	**350.62**

3b For disclosures relating to changes in liabilities arising from financing activities, refer note 33A

Significant accounting policies 2 and 3
The notes referred to above form an integral part of standalone financial statements
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm's Registration no.: 101049W/E300004

per Bharath N S
Partner
Membership No. 210934

Place : Chennai
Date : May 11, 2023

for and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

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1 Corporate Information

Northern Arc Capital Limited ("the Company"), was incorporated on March 9, 1989 and is registered as a non-deposit taking Non-Banking Finance Company (NBFC). The Company has received the Certificate of Registration dated August 8, 2013 in lieu of Certificate of Registration dated June 24, 1999 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). The Company's registered address is No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai TN 600113. The Company was formerly known as IFMR Capital Finance Limited. The Company has obtained a revised Certificate of Registration from the RBI dated March 8, 2018 for name change.

The Company is principally engaged in lending to provide liquidity and develop access to debt-capital markets for institutions and providing loans for personal, business, education and mortgage purposes to individuals.

2 Basis of preparation

2.1 Statement of compliance

These standalone 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 Companies Act, 2013, (the 'Act') as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.
These financial statements were authorised for issue by the Company's Board of Directors on May 11, 2023

Details of the Company's significant accounting policies are disclosed in note 3.

2.2 Presentation of financial statements

The standalone 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) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 and RBI/2020-21/15 DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 dated 24 July 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

The standalone financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III 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. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented separately.

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and / or its counterparties.

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

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 (two decimals), unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and 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 amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those 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. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

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

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model test 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.

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 assets

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

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

a) The Company’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
b) Development of ECL models, including the various formulas and the choice of inputs.
c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').
d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory inspections in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

vi) Other assumptions and estimation uncertainities

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

a) Measurement of defined benefit obligations: key actuarial assumptions;
b) Estimated useful life of property, plant and equipment and intangible assets;
c) Recognition of deferred taxes;
d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.

3 Significant accounting policies

3.1 Revenue from contracts with customers

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable.

A. Recognition of interest income on loans

Under Ind AS 109, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. 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 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 the EIR to the gross carrying amount of financial assets other than credit-impaired assets.
When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.
Revenue recognition for different heads of income is as under:

i. Interest income on deposits
Interest income on deposits is recognised on a time proportionate basis using the effective interest rate.

ii. Fees and commission income
Fees and commission income such as guarantee commission, professional fee, service income etc. are recognised on an accrual basis in accordance with term of the contract with customer.

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

iv. Other income
All items of other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

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3.2 Financial instruments - 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).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Sole Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of a 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. Bank balances, Loans, Trade receivables and other financial investments that meet the above conditions are measured at amortised cost

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

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

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

A financial asset which is not classified in any of the above categories is measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

The Company records investments in Alternative investment funds (AIF), mutual funds and Treasury Bills at FVTPL

iv) Investment in equity instruments

The Company measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

B. Financial liability

i) Initial recognition and measurement

All financial liabilities are measured at amortised cost except for financial guarantees, and derivative financial liabilities. 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 rate method.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments

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 significant financial assets or liabilities in the year ended March 31, 2023 and March 31, 2022.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes.
If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated 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 pay.

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). The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is 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. 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) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments

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

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

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

Stage 3:
Financial assets considered credit impaired are the financial assets which are past due for more than 90 days. The Company records an allowance for life time ECL.

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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, , whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

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 financial assets 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.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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 financial asset 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.

Significant increase in credit risk
The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12mECLs.
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, 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 a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward looking information.

Stage 3:
For financial assets considered credit-impaired, the Company recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets
A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:
a. significant financial difficulty of the borrower;
b. a breach of contract such as a default or past due event;
c. the lender of the borrower, for economic or contractual reasons relating to the borrower's financial
d. difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
e. the disappearance of an active market for a security because of financial difficulties; or
f. the purchase of a financial asset at a deep discount that reflects the incurred credit losses.
It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Further, in line with the requirements of Ind-AS 109 read with circular on implementation of Indian Accounting Standards dated March 13, 2020 issued by the Reserve Bank of India, the company is guided by the definition of default / credit impaired used for regulatory purposes for the purpose of accounting.

Loan commitments
When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Financial guarantee contracts
The Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within Provisions.

C. Financial Assets measured at FVOCI

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

D. Forward looking information

In its ECL models, the Company relies on forward looking macro parameters such as consumer spending and interest rates to estimate the impact on probability of the default at a given point of time.
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.7 Write-offs

The gross carrying amount of a financial asset is written-off when there is no reasonable expectation of recovering the asset. 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 as 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;

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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.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost 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, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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 are as follows:

Asset category	**Estimated Useful life**
Plant and machinery	15 years
Furniture and fittings	10 years
Office equipments	5 years
Computers and accessories	3 years
Servers	6 years

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower.
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).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.11 Intangible assets

i. 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. Internally generated: Research and development

Expenditure on research activities is recognised in profit or loss as incurred

Developing expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

iv. 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 softwares	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 comprise 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

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.

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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.

3.13 Provisions

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.

3.14 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e.the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the initial period agreed in the lease agreement , together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the initial period agreed in the lease agreement.

3.15 Taxes

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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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. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

a. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.16 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the Effective Interest Rate Method.

3.17 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.

3.18 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 Cash flow statement

Cash flows are reported using the indirect method, whereby profit after 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.

3.20 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). 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.

3.20.1 Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

3.21 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022. These amendments do not have material effect on the Financial Statement of the Company.

3.22 Standard Issued But Not Yet Effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.
The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.
The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.

3.23 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

► Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements o the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
► Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operation are measured in accordance with that Standard.
► Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuatioı does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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		As at March 31, 2023	As at March 31, 2022
4	**Cash and cash equivalents**		
	Measured at amortised cost:		
	Balance with banks		
	- In current accounts	18,398.28	23,093.94
	- In deposit account (Refer note 4A below)	2,003.71	47,327.36
		20,401.99	**70,421.30**

4A Represents short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

4B At 31 March 2023, the Company had available INR 3,500 lacs (31 March 2022: INR 31,100 lacs) of undrawn committed borrowing facilities.

		As at March 31, 2023	As at March 31, 2022
5	**Bank balances other than cash and cash equivalents**		
	Measured at amortised cost:		
	- In deposit accounts with bank with maturity more than 3 months (Refer Note 5.1 below)	11,954.15	6,291.17
	- In earmarked accounts		
	- In unpaid dividend account	2.69	2.69
	- Deposit with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	6,357.36	2,440.58
		18,314.20	**8,734.44**

Note:

5.1 Deposits with bank includes deposits amounting to INR 2,149.56 lakhs (March 31, 2022 : INR 1,124.91 lakhs) representing amount received from customers as cash collateral for the loans provided by the Company.

		As at March 31, 2023	As at March 31, 2022
6	**Trade receivables**		
	Unsecured Considered good	1,903.28	1,822.39
	Trade receivables which have significant increase in credit risk	1.14	1.76
	Trade receivables - Credit impaired	-	-
		1,904.42	**1,824.15**
	Less: Impairment loss allowance		
	Unsecured, considered good	(13.35)	(9.42)
	Trade Receivables with significant increase in credit risk	(0.09)	(0.23)
	Trade receivables - Credit impaired	-	-
	Total	**1,890.98**	**1,814.50**
	Trade receivables from related parties	37.00	-

Note:
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, other than those disclosed above.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

6.1 The ageing schedule of Trade receivables is as follows:

i) As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Unbilled receivables	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	-	1,079.70	53.69	8.21	-	-	748.33	1,889.93
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	1.05	-	-	-	-	1.05
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**1,079.70**	**54.74**	**8.21**	**-**	**-**	**748.33**	**1,890.98**

ii) As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Unbilled receivables	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good		1,223.70	-	-	-	-	589.27	1,812.97
(ii) Undisputed Trade receivables – which have significant increase in credit risk		1.53	-	-	-	-	-	1.53
(iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good		-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk		-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-	-
Total	**-**	**1,225.23**	**-**	**-**	**-**	**-**	**589.27**	**1,814.50**

6.2 Analysis of changes in the gross carrying amount of trade receivables and and the corresponding ECL allowance in relation to trade receivables
Changes in gross carrying amount

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,822.40**	**1.75**	**-**	**1,824.15**	**1,452.66**	**0.79**	**9.03**	**1,462.48**
New assets originated	1,903.28	1.14	-	1,904.42	1,822.40	1.75	-	1,824.15
Asset derecognised or repaid	(1,822.40)	(1.75)	-	(1,824.15)	(1,452.66)	(0.79)	(9.03)	(1,462.48)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**1,903.28**	**1.14**	**-**	**1,904.42**	**1,822.40**	**1.75**	**-**	**1,824.15**

Reconciliation of ECL Balance

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**9.42**	**0.23**	**-**	**9.65**	**21.53**	**0.02**	**5.87**	**27.42**
New assets originated	13.35	0.09	-	13.44	9.42	0.23	-	9.65
Asset derecognised or repaid	(9.31)	(0.23)	-	(9.54)	(21.53)	(0.02)	(5.87)	(27.42)
Transfer from stage 1	(0.11)	-	-	(0.11)	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**13.35**	**0.09**	**-**	**13.44**	**9.42**	**0.23**	**-**	**9.65**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

7 Loans

	As at March 31, 2023			As at March 31, 2022		
	At Amortised cost	**At Fair Value through Other Comprehensive Income**	**Total**	**At Amortised cost**	**At Fair Value through Other Comprehensive Income**	**Total**
A. Based on nature						
Term loans	4,67,577.77	1,82,829.41	6,50,407.18	3,95,883.46	97,879.98	4,93,763.44
Less : Impairment loss allowance	(7,963.25)	-	(7,963.25)	(5,371.60)	-	(5,371.60)
Total	**4,59,614.52**	**1,82,829.41**	**6,42,443.93**	**3,90,511.86**	**97,879.98**	**4,88,391.84**
Structured cash credit	47,524.98	-	47,524.98	34,273.68	-	34,273.68
Less : Impairment loss allowance	(938.91)	-	(938.91)	(400.11)	-	(400.11)
Total	**46,586.07**	-	**46,586.07**	**33,873.57**	-	**33,873.57**
Total	**5,06,200.59**	**1,82,829.41**	**6,89,030.00**	**4,24,385.43**	**97,879.98**	**5,22,265.41**
B. Based on Security						
(i) Secured by tangible assets*	3,71,267.64	54,828.28	4,26,095.92	2,94,038.33	77,737.97	3,71,776.30
(ii) Unsecured	1,43,835.11	1,28,001.13	2,71,836.24	1,36,118.81	20,142.01	1,56,260.82
Total Gross Loans	**5,15,102.75**	**1,82,829.41**	**6,97,932.16**	**4,30,157.14**	**97,879.98**	**5,28,037.12**
Less:Impairment loss allowance	(8,902.16)	-	(8,902.16)	(5,771.71)	-	(5,771.71)
Total Net Loans	**5,06,200.59**	**1,82,829.41**	**6,89,030.00**	**4,24,385.43**	**97,879.98**	**5,22,265.41**
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	5,15,102.75	1,82,829.41	6,97,932.16	4,30,157.14	97,879.98	5,28,037.12
Total gross loans	**5,15,102.75**	**1,82,829.41**	**6,97,932.16**	**4,30,157.14**	**97,879.98**	**5,28,037.12**
Less:Impairment loss allowance	(8,902.16)	-	(8,902.16)	(5,771.71)	-	(5,771.71)
Total (I)-Net loans	**5,06,200.59**	**1,82,829.41**	**6,89,030.00**	**4,24,385.43**	**97,879.98**	**5,22,265.41**
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	**5,06,200.59**	**1,82,829.41**	**6,89,030.00**	**4,24,385.43**	**97,879.98**	**5,22,265.41**

* Term loans are secured by way of hypothecation of underlying loan receivables of the originator.

Notes :

The Company has not granted any loans or advances to promoters, directors, key mangerial personels, and other related parties other than those disclosed below. These loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created. The details of the same are disclosed below

	As at March 31, 2023	As at March 31, 2022
Total loans to related parties (refer note 42)		
- Term Loan	-	1,225.95
- Structured Credit	169.43	163.93
Total	**169.43**	**1,389.88**
Less: Loss allowance on loans to related parties		
- Term Loan	-	(13.68)
- Structured Credit	(2.12)	(1.83)
Total	**(2.12)**	**(15.51)**
Net loans to related parties	**167.31**	**1,374.37**

Also refer Note 36 on Credit Risk.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

8 Investments

	As at March 31, 2023					As at March 31, 2022				
	At Amortised cost	At Fair Value through Other Comprehensive Income	At Fair Value through Profit and loss	Others	Total	At Amortised cost	At Fair Value through Other Comprehensive Income	At Fair Value through Profit and loss	Others	Total
Investment in debentures (quoted)										
Non-convertible redeemable debentures	-	63,225.60		-	63,225.60	-	19,852.16		-	19,852.16
Market Linked debentures	-	-	26,435.23	-	26,435.23	-	-	16,579.14	-	16,579.14
Investment in debentures (unquoted)										
Non-convertible redeemable debentures	-	31,970.32			31,970.32	-	66,696.05	-	-	66,696.05
Market Linked debentures	-		45.86		45.86	-	-	8,580.14	-	8,580.14
Investment in Commercial papers (unquoted)										
Commercial papers	-	1,958.13	-	-	1,958.13	993.69	-	-	-	993.69
Investment in pass-through certificates (unquoted)										
Investment in pass-through certificates	-	13,120.35	-	-	13,120.35	-	14,504.11	-	-	14,504.11
Investment in alternate investment funds (unquoted)										
Alternative investment funds	-	-	11,511.26	-	11,511.26	-	-	23,131.69	-	23,131.69
Investment in other approved securities (unquoted)										
Investment in government securities	7,258.59		-	-	7,258.59	-	-	-	-	-
Investments in subsidiaries, at cost (Unquoted)										
Equity shares										
Northern Arc Investment Adviser Services Private Limited	-	-	-	127.80	127.80	-	-	-	127.80	127.80
Northern Arc Securities Private Limited	-	-	-	100.00	100.00	-	-	-	-	-
Finreach Solutions Private Limited	-	-	-	394.40	394.40	-	-	-	-	-
Northern Arc Investment Managers Private Limited	-	-	-	361.00	361.00	-	-	-	361.00	361.00
Northern Arc Foundation	-	-	-	1.00	1.00	-	-	-	1.00	1.00
Pragathi Finserv Private Limited	-	-	-	2,253.40	2,253.40	-	-	-	2,253.40	2,253.40
Alternative investment funds										
IFMR Fimpact Long term credit fund	-	-	8,342.95	-	8,342.95	-	-	10,852.28	-	10,852.28
Emerging Corporate Bond Fund	-	-	2,558.99	-	2,558.99	-	-	-	-	-
Other investments (Unquoted)										
Share warrants	-	-	1.62	-	1.62	-	-	1.62	-	1.62
Sub total	**7,258.59**	**1,10,274.40**	**48,895.91**	**3,237.60**	**1,69,666.50**	**993.69**	**1,01,052.32**	**59,144.87**	**2,743.20**	**1,63,934.08**
Less: Impairment loss allowance for Investments	-	(1.21)	-	-	(1.21)	-	-	-	-	-
Total Investments	**7,258.59**	**1,10,273.19**	**48,895.91**	**3,237.60**	**1,69,665.29**	**993.69**	**1,01,052.32**	**59,144.87**	**2,743.20**	**1,63,934.08**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	7,258.59	1,10,273.19	48,895.91	3,237.60	1,69,665.29	993.69	1,01,052.32	59,144.87	2,743.20	1,63,934.08
Total Investments	**7,258.59**	**1,10,273.19**	**48,895.91**	**3,237.60**	**1,69,665.29**	**993.69**	**1,01,052.32**	**59,144.87**	**2,743.20**	**1,63,934.08**

Also refer Note 36 on Credit Risk.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

9 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost:		
Security deposits	413.63	311.92
Advances to employees	67.73	67.72
Advance to originator partners	1,595.25	6,464.13
Other receivables	502.56	-
Advances to subsidiaries (Refer note 42)	556.38	223.61
Excess Interest spread on derecognition of Loans upon direct assignment	1,392.80	-
Less: Impairment loss allowance	(26.37)	-
	4,501.98	**7,067.38**

10.1 Property plant and equipment

	Plant and machinery	Furniture and fittings	Computers and accessories	Office equipments	Servers	Leasehold improvements	Total
Cost/Deemed Cost							
As at April 1, 2021	0.29	2.52	235.39	140.59	0.19	127.25	506.23
Additions	-	18.24	174.60	9.29	-	18.42	220.55
Disposals/Discarded	-	0.38	8.94	-	-	-	9.32
As at March 31, 2022	**0.29**	**20.38**	**401.05**	**149.88**	**0.19**	**145.67**	**717.46**
Additions	-	22.78	282.15	18.95	-	28.64	352.52
Acquisition of business (refer note 79)	6.22	8.33	52.36	18.37	-	-	85.28
Disposals/Discarded	-	-	-	10.31	-	-	10.31
As at March 31, 2023	**6.51**	**51.49**	**735.56**	**176.89**	**0.19**	**174.31**	**1,144.95**
Accumulated depreciation							
As at April 1, 2021	**0.25**	**2.45**	**205.02**	**138.44**	**0.18**	**55.04**	**401.38**
Depreciation for the year	0.04	3.68	110.36	3.88	0.01	47.07	165.04
On disposals/Discarded	-	0.37	6.45	-	-	-	6.82
As at March 31, 2022	**0.29**	**5.76**	**308.93**	**142.32**	**0.19**	**102.11**	**559.60**
Depreciation for the year	5.97	25.03	282.91	25.12	-	31.19	370.22
On disposals/Discarded	-	-	-	4.72	-	-	4.72
As at March 31, 2023	**6.26**	**30.79**	**591.84**	**162.72**	**0.19**	**133.30**	**925.10**
Net carrying value							
As at March 31, 2022	**-**	**14.62**	**92.13**	**7.56**	**-**	**43.56**	**157.86**
As at March 31, 2023	**0.25**	**20.70**	**143.73**	**14.17**	**-**	**41.01**	**219.85**

10.2 Right of use asset

The details of right of use asset held by the Company is as follows:

	Office Premises-Buildings	Total
Gross Carrying Value		
As at April 1, 2021	**1,568.18**	**1,568.18**
Additions	350.62	350.62
Disposals	135.61	135.61
As at March 31, 2022	**1,783.19**	**1,783.19**
Additions	116.73	116.73
Acquisition of business (refer note 79)	8.37	-
Disposals	-	-
As at March 31, 2023	**1,908.29**	**1,899.92**
Accumulated depreciation		
As at April 1, 2021	**582.74**	**582.74**
Additions	450.97	450.97
Disposals	31.43	31.43
As at March 31, 2022	**1,002.28**	**1,002.28**
Additions	253.16	253.16
Disposals	-	-
As at March 31, 2023	**1,255.44**	**1,255.44**
Net carrying value		
As at March 31, 2022	**780.91**	**780.91**
As at March 31, 2023	**652.85**	**644.48**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

10.3 Intangible assets under development

	Software	Total
As at April 1, 2021	**54.02**	**54.02**
Add: Additions	308.92	308.92
Less: Capitalised during the year	(263.14)	(263.14)
Less: Written off during the year	(71.36)	(71.36)
As at March 31, 2022	**28.44**	**28.44**
Add: Additions	839.01	839.01
Less: Capitalised during the year	(768.58)	(768.58)
Less: Written off during the year	-	-
As at March 31, 2023	**98.87**	**98.87**

10.3.i Ageing of Intangible assets under development
As at March 31, 2023

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	
Projects in Progress	92.87	6.00	-	-	98.87

As at March 31, 2022

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	
Projects in Progress	28.44	-	-	-	28.44

10.3.ii As at March 31, 2023 and March 31, 2022, there were no projects whose completion is overdue or has exceeded its cost compared to its original plan

10.4 Other Intangible assets

	Softwares	Total
Gross carrying value		
As at April 1, 2021	**1,757.89**	**1,757.89**
Additions	263.14	263.14
Disposals	-	-
As at March 31, 2022	**2,021.03**	**2,021.03**
Additions	768.56	768.56
Acquisition of business (refer note 79)	30.11	30.11
Disposals	-	-
As at March 31, 2023	**2,819.70**	**2,819.70**
Accumulated amortisation		
As at April 1, 2021	**785.12**	**785.12**
Amortisation for the year	295.81	295.81
On disposals	-	-
As at March 31, 2022	**1,080.93**	**1,080.93**
Amortisation for the year	402.76	402.76
On disposals	-	-
As at March 31, 2023	**1,483.69**	**1,483.69**
Net carrying value		
As at March 31, 2022	**940.10**	**940.10**
As at March 31, 2023	**1,336.01**	**1,336.01**

10.5 Goodwill

	Goodwill	Total
Gross carrying value		
As at April 1, 2021	-	-
Additions	-	-
As at March 31, 2022	-	-
Additions – being internally developed on acquisition (refer note 79)	2,321.78	2,321.78
Disposals	(236.65)	(236.65)
As at March 31, 2023	**2,085.13**	**2,085.13**
Impairment		
As at April 1, 2021	-	-
Impairment for the year	-	-
As at March 31, 2022	-	-
Impairment for the year	-	-
As at March 31, 2023	-	-
Net carrying value		
As at March 31, 2022	-	-
As at March 31, 2023	**2,085.13**	**2,085.13**

The amount of goodwill is not revalued/restated during the financial year.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
11	**Other non- financial assets**		
	Measured at amortised cost:		
	Prepaid expenses	385.23	1,654.09
	Balances with government authorities	-	32.61
	Advances to vendors	216.40	120.89
		601.63	**1,807.59**

12 Derivative financial instruments

	As at March 31, 2023		As at 31 March 2022	
	Notional Amount	**Fair value of liabilities**	**Notional Amount**	**Fair value of liabilities**
Part-I				
Asset				
(i) Currency derivatives (Refer Note 44) - measured at FVOCI				
- Cross currency swaps	1,00,534.25	5,879.27	36,849.89	110.00
- Forward Contract	-	-	20,200.00	41.85
(ii) Interest rate derivatives (Refer Note 44) - measured at FVPL				
- Overnight Indexed Swaps	39,500.00	225.57	-	-
	1,40,034.25	**6,104.84**	**57,049.89**	**151.85**
Liability				
(i) Currency derivatives (Refer Note 44) - measured at FVOCI				
- Cross currency swaps	5,000.00	149.31	43,851.00	626.49
- Forward Contract	-	-	4,800.00	17.33
(ii) Interest rate derivatives (Refer Note 44) - measured at FVPL				
- Overnight Indexed Swaps	19,825.00	78.28	-	-
	24,825.00	**227.59**	**48,651.00**	**643.82**
Part-II				
Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
Asset				
-Cash flow hedging				
- Cross currency swaps	1,00,534.25	5,879.27	36,849.89	110.00
- Forward Contract	-	-	20,200.00	41.85
-Fair Value hedging				
- Overnight Indexed Swaps	39,500.00	225.57	-	-
	1,40,034.25	**6,104.84**	**57,049.89**	**151.85**
Liability				
-Cash flow hedging				
- Cross currency swaps	5,000.00	149.31	43,851.00	626.49
- Forward Contract	-	-	4,800.00	17.33
-Fair Value hedging				
- Overnight Indexed Swaps	19,825.00	78.28	-	-
	24,825.00	**227.59**	**48,651.00**	**643.82**

The notional amounts in the above table refers to the foreign currency borrowing on which the Company has hedged the risk of foreign currency fluctuations and interest rate fluctuations.
The Company has entered into Derivative Contracts, with scheduled banks with Investment grade credit rating. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.
The Asset Liability Management Committee periodically monitors and reviews the risks involved.

		As at March 31, 2023	As at March 31, 2022
13	**Trade payables**		
	-Total outstanding dues to micro enterprises and small enterprises (refer Note 39 for details of dues to micro and small enterprises)	-	-
	-Total outstanding dues to creditors other than micro enterprises and small enterprises	10,642.39	5,405.12
		10,642.39	**5,405.12**
	Trade payables to:		
	Related Parties	667.56	-
	Others	9,974.83	5,405.12
		10,642.39	**5,405.12**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
14	**Debt securities (Refer Note 14A)**		
	Measured at amortised cost:		
	Secured		
	- Redeemable non-convertible debentures	1,17,962.08	1,11,471.27
	Unsecured		
	- Redeemable non-convertible debentures	23.51	23.51
		23.51	**23.51**
	Others		
	- Commercial paper	4,445.96	22,864.90
	Total debt securities	**1,22,431.55**	**1,34,359.68**
	Debt securities in India	1,22,431.55	1,34,359.68
	Debt securities outside India	-	-
	Total debt securities	**1,22,431.55**	**1,34,359.68**

Secured Redeemable Non-Convertible Debentures are secured by specific charge on identified receivables. (Refer note 14A)

15	**Borrowings (other than debt securities)**		
	Measured at amortised cost:		
	Secured		
	Term loans (Refer Note 15A)		
	- from banks	4,03,533.72	3,07,824.00
	- from other financial institutions	1,27,519.69	1,04,774.03
	Loans repayable on demand (Refer note 15B)		
	- Working capital loan from banks	45,976.45	45,918.36
	- Cash credit from banks	-	1,426.23
	Total borrowings (Other than debt securities)	**5,77,029.86**	**4,59,942.62**
	Borrowings in India	4,65,507.66	3,76,390.67
	Borrowings outside India	1,11,522.20	83,551.95
	Total borrowings (Other than debt securities)	**5,77,029.86**	**4,59,942.62**

Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at 31 March 2023, the rate of interest across the cash credit and working capital demand loans was in the range of 6.25 % p.a to 10.15% p.a (March 31, 2022 - 6.10% p.a to 11.45% p.a). The Company has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayment during the year.

The Company has used the borrowings from banks and financial instritution for the specified purpose as per the agreement with the lender.
The quarterly returns/statements of current assets filed by the company with the banks and financial institutions in relation to secured borrowings whenever applicable, are in agreement with the books of accounts.

		As at March 31, 2023	As at March 31, 2022
16	**Subordinated liabilities**		
	Measured at amortised cost:		
	Unsecured		
	Others (Refer Note 16A)		
	- from banks	1,498.89	1,497.29
	- from other financial institutions	2,496.18	2,496.18
	Total Subordinated liabilities	**3,995.07**	**3,993.47**
	Subordinated liabilities in India	3,995.07	3,993.47
	Subordinated liabilities outside India	-	-
	Total Subordinated liabilities	**3,995.07**	**3,993.47**

The Company has not defaulted in the repayment of dues to its lenders.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
17 Other financial liabilities		
Collateral deposits from customers	2,356.59	1,941.87
Lease liabilities (Refer Note 34)	789.67	1,051.52
Employee benefits payable	3,080.13	2,350.66
Remittances payable - derecognised financial instruments*	3,069.21	-
Income received in Advance	175.49	134.00
Other liabilities	307.19	118.20
Unpaid dividend on non convertible preference shares	2.69	2.69
	9,780.97	**5,598.94**

*Represents the amount collected from underlying customers yet to be paid to the assignee representative as at reporting date.

18 Provisions		
Provision for employee benefits:		
Gratuity (refer note 40)	553.22	697.64
Compensated absences	360.81	332.86
Provision for others:		
Impairment loss allowance for guarantees (Refer Note 18(A))	1,506.77	702.19
Impairment loss allowance for loans commitments (Refer Note 18(B))	272.64	427.25
	2,693.44	**2,159.94**

19 Other non- financial liabilities		
Statutory dues payable	958.45	425.75
	958.45	**425.75**

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

13.1 The ageing schedule of Trade payables is as follows:

i) As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment				Unbilled dues	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	643.05	74.16	-	-	9,925.18	10,642.39
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

ii) As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Unbilled dues	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	61.10	-	-	-	5,344.02	5,405.12
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Refer Note 39 for details of dues to micro and small enterprises.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 14 A : Details regarding terms of issuance of debt securities

Particulars	Terms of Redemption	Security	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Secured, redeemable non-convertible debentures:						
- NIL units (March 31, 2022: 750 units) of 10.2% Redeemable, Market linked non-convertible debentures of INR 10,000 each, maturing on April 29, 2022	Coupon payment frequency:on maturity Principal repayment frequency: on maturity Tenure of security: 1.75 years Redemption date:April 29,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.20%	29-Apr-22	-	750.00
- NIL units (March 31, 2022: 12500 units) of 10.00% Redeemable,market linked non-convertible debentures of INR 10,000 each, maturing on June 11, 2022	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 1.25 years Redemption date:June 11,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.00%	11-Jun-22	-	1,250.00
- NIL units (March 31, 2022: 1000 units) of 9.45% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 11, 2022	Coupon payment frequency:Semi annual Principal repayment frequency:Entire principal repaid on maturity Tenure of security: 3.50 years Redemption date:June 11,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.45%	11-Jun-22	-	10,000.00
- NIL units (March 31, 2022: 150 units) of 9.30% Redeemable,market linked non-convertible debentures of INR 10,00,000 each, maturing on September 17, 2022	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 18 Months Redemption date:September 17,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.30%	17-Sep-22	-	1,500.00
- NIL units (March 31, 2022: 1000 units) of 10.45% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on September 30, 2022	Coupon payment frequency: semi annual Principal repayment frequency: maturity Tenure of security: 2 years Redemption date:September 30,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.45%	30-Sep-22	-	10,000.00
- NIL units (March 31, 2022: 1500 units) of 9.15% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on May 13, 2022	Coupon payment frequency: semi annual Principal repayment frequency: 4 equal quarterly instalments Tenure of security: 1.5 years Redemption date:September 30,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.15%	30-Sep-22	-	3,750.00
- NIL units (March 31, 2022: 23200 units) of 9.05% Redeemable,market linked non-convertible debentures of INR 10,000 each, maturing on January 21, 2023	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 2 years Redemption date:January 21,2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.05%	21-Jan-23	-	2,320.00
- NIL units (March 31, 2022: 228 units) of 8.80% Redeemable,market linked non-convertible debentures of INR 5,00,000 each, maturing on February 23, 2023	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 2 Years Redemption date:February 23,2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	8.80%	23-Feb-23	-	1,140.00
- NIL units (March 31, 2022 294 units) of 8.90% Redeemable,market linked non-convertible debentures of INR 5,00,000 each, maturing on February 24, 2023	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 2 years Redemption date:February 24,2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	8.90%	24-Feb-23	-	1,470.00
- 200 units (March 31, 2022: 348 units) of 8.95% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 30, 2024	Coupon payment frequency: Monthly Principal repayment frequency: On maturity Tenure of security: 21 months Redemption date: June 30, 2024	The Debentures shall be secured by a first ranking and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.95%	28-Apr-23	2,000.00	3,480.00
- 1800 units (March 31, 2022: 1800 units) of 9.85% Redeemable,market linked non-convertible debentures of INR 10,00,000 each, maturing on March 23, 2026	Coupon payment frequency: Semi annually Principal repayment frequency: On maturity Tenure of security: 60 months Redemption date: March 23, 2026	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.85%	30-Apr-23	14,400.00	14,400.00
- 2949 units (March 31, 2022: 2949 units) of 9.966% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 18, 2025	Coupon payment frequency: Semi annualy Principal repayment frequency: 7 equal half-yearly instalments Tenure of security: 60 months Redemption date: December 18, 2025	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.97%	18-Jun-23	25,277.14	29,490.00
- 1,000 units (March 31, 2022: 1000 units) of 9.60% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 20, 2023	Coupon payment frequency: Semi annualy Principal repayment frequency: Entire principal to be repaid in 7 equal semi annual instalments after a moratorium of eighteen months Tenure of security: 60 months Redemption date: December 20, 2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.60%	20-Jun-23	2,857.14	5,714.29
- 500 units (March 31, 2022: 500 units) of 11.25% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 26, 2023	Coupon payment frequency: Annually Principal repayment frequency: On maturity Tenure of security: 36 months Redemption date: June 26, 2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	11.25%	26-Jun-23	833.33	5,000.00
- 500 units (March 31, 2022: 500 units) of 10.40% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on July 13, 2023	Coupon payment frequency: Quarterly Principal repayment frequency: 12 equal quarterly instalments Tenure of security: 36 months Redemption date: July 13, 2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.40%	26-Jun-23	5,000.00	2,500.00
- 10000 units (March 31, 2022: 10000 units) of Market Linked Redeemable non-convertible debentures of INR 1,00,000 each, maturing on July 27, 2023	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 26 months Redemption date: July 27, 2023	The Debentures shall be secured by way of a first ranking and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien .	8.75%	27-Jul-23	10,000.00	10,000.00
- 3950 units (March 31, 2022: Nil units) of 10.07% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on September 21, 2027	Coupon payment frequency: Semi annually Principal repayment frequency: Entire principal to be repaid in 5 equal instalments at the end of 12 months, 36 Months, 42 months, 48 months and 60 months Tenure of security: 5 years Redemption date: September 21, 2027	The Debentures shall be secured by a first ranking and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien	Overnight MIBOR +Spread 3.51%	21-Sep-23	39,500.00	-
- 750 units (March 31, 2022: 750 units) of 11.338% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on March 28, 2024	Coupon payment frequency: Annualy Principal repayment frequency: Entire principal to be repaid in 4 equal instalments at the end of 24 months, 36 Months, 42 months and 48 months Tenure of security: 48 months Redemption date: March 28, 2024	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	11.34%	03-Oct-23	3,750.00	5,625.00
- 891 units (March 31, 2022: Nil units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.10%	27-Jan-25	8,910.00	-
- 2500 units (March 31, 2022: Nil units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.10%	27-Jan-25	2,500.00	-
Unsecured, redeemable non-convertible debentures:						
- 235140 units (March 31, 2022: 235140 units) of 11.6% Redeemable non-convertible debentures of INR 10 each, maturing on Sep 25, 2023	Coupon payment frequency: Monthly Principal repayment frequency: On maturity Tenure of security: 4 years Redemption date: September 25, 2023	NA	11.60%	30-Apr-23	23.51	2,800.00

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 14 A : Details regarding terms of issuance of debt securities (Continued)

Particulars	Terms of Redemption	Security	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Unsecured, Commercial Paper:						
NIL Units (March 31, 2022 : 600 units) of 6.97% commercial paper of INR 500,000 each, maturing on April 08, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 77 Days; Redemption Date:April 8, 2022	NA	6.97%	08-Apr-22	-	3,000.00
NIL units (March 31, 2022 : 700 units) of 6.93% commercial paper of INR 500,000 each, maturing on May 31, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 71 Days; Redemption Date:May 31, 2022	NA	6.93%	31-May-22	-	3,500.00
NIL Units (March 31, 2022 : 160 units) of 6.98% commercial paper of INR 500,000 each, maturing on June 07, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 7, 2022	NA	6.98%	07-Jun-22	-	800.00
NIL Units (March 31, 2022 : 200 units) of 6.80% commercial paper of INR 500,000 each, maturing on June 09, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 90 Days; Redemption Date:June 9, 2022	NA	6.80%	09-Jun-22	-	1,000.00
NIL Units (March 31, 2022 : 500 units) of 6.98% commercial paper of INR 500,000 each, maturing on June 10, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 10, 2022	NA	6.98%	10-Jun-22	-	2,500.00
NIL Units (March 31, 2022 : 1,000 units) of 6.98% commercial paper of INR 500,000 each, maturing on June 21, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 21, 2022	NA	6.98%	21-Jun-22	-	5,000.00
NIL Units (March 31, 2022 : 500 units) of 7.60% commercial paper of INR 500,000 each, maturing on August 22, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 181 Days; Redemption Date:August 22, 2022	NA	7.60%	22-Aug-22	-	2,500.00
NIL Units (March 31, 2022 : 1,000 units) of 7.95% commercial paper of INR 500,000 each, maturing on September 30, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 365 Days; Redemption Date:September 30, 2022	NA	7.95%	30-Sep-22	-	5,000.00
400 Units (March 31, 2022 : NIL units) of 7.99%% commercial paper of INR 500,000 each, maturing on May 5, 2023	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:May 05 ,2023	NA	7.99%	05-May-23	2,000.00	-
300 Units (March 31, 2022 : NIL units) of 8.10% commercial paper of INR 500,000 each, maturing on May 31, 2023	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:May 31 ,2023	NA	8.10%	31-May-23	1,500.00	-
200 Units (March 31, 2022 : NIL units) of 8.20% commercial paper of INR 500,000 each, maturing on June 28, 2023	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 28,2023	NA	8.20%	28-Jun-23	1,000.00	-

Note: The balances are net of accrued interest and gross of unamortised processing fees
* Coupon rate are linked to perfromance of specified indices inclusing maket indiactors over the period of the debentures

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Secured borrowing from banks					
Term Loan - 1	Repayments terms: Repayment on Maturity Tenor of Security : 90 days Redemption date: June 21, 2021	18%	21-Jun-21	-	4,000.00
Term Loan - 2	Repayments terms: Repayment on Maturity Tenor of Security : 3 months Redemption date: June 25, 2021	17%	25-Jun-21	-	2,500.00
Term Loan - 3	Repayments terms: Repayment on Maturity Tenor of Security : 6 months Redemption date: Septemebr 25, 2021	19%	25-Sep-21	-	5,000.00
Term Loan - 4	Repayments terms: Repayment on Maturity Tenor of Security : 1 year Redemption date: December 4, 2021	13%	04-Dec-21	-	5,000.00
Term Loan - 5	Repayments terms: Repayment on Maturity Tenor of Security : 1 year Redemption date: December 28, 2021	18%	28-Dec-21	-	2,500.00
Term Loan - 6	Repayments terms: Repayment on Maturity Tenor of Security : 1 year Redemption date: March 26, 2022	20%	26-Mar-22	-	3,000.00
Term Loan - 7	Repayments terms: 18 Monthly installments Tenor of Security : 2 Years Redemption date: February 28, 2023	18%	03-Apr-22	-	3,333.33
Term Loan - 8	Repayments terms:35 monthly installments Tenor of Security : 3.3 Years Redemption date: Jan 5, 2023	24%	05-Apr-22	-	181.82
Term Loan - 9	Repayments terms:12 quarterly installments Tenor of Security : 3 Years Redemption date: April 5, 2023	22.00%	05-Apr-22	-	2,081.67
Term Loan - 10	Repayments terms:10 Monthly installments Tenor of Security : 1 Years Redemption date: August 10, 2022	12%	10-Apr-22	-	2,875.00
Term Loan - 11	Repayments terms:30 monthly installments Tenor of Security : 3 Years Redemption date: May 16,2022	22%	16-Apr-22	-	1,666.67
Term Loan - 12	Repayments terms:12 quarterly installments Tenor of Security : 2.3 Years Redemption date: March 31, 2023	21%	30-Apr-22	-	2,500.00
Term Loan - 13	Repayments terms:36 monthly installments Tenor of Security : 3 Years Redemption date: December 31, 2022	18%	30-Apr-22	-	750.00
Term Loan - 14	Repayments terms:36 monthly installments Tenor of Security : 3 Years Redemption date: December 31, 2022	22%	30-Apr-22	-	750.00
Term Loan - 15	Repayments terms:11 quarterly installments Tenor of Security : 2.2 Years Redemption date: September 30, 2022	21%	30-Apr-22	-	2,727.82
Term Loan - 16	Repayments terms:12 quarterly installments Tenor of Security : 3 Years Redemption date: December 31, 2022	20%	30-Apr-22	-	500.00
Term Loan - 17	Repayments terms:48 monthly installments Tenor of Security : 4 Years Redemption date: March 31, 2024	22%	30-Apr-22	-	1,666.67
Term Loan - 18	Repayments terms:48 monthly installments Tenor of Security : 4 Years Redemption date: March 31, 2024	21%	30-Apr-22	-	1,656.97
Term Loan - 19	Repayments terms:10 quarterly installments Tenor of Security : 3 Years Redemption date: February 2, 2023	23%	30-Apr-22	-	992.68
Term Loan - 20	Repayments terms:11 quarterly installments Tenor of Security : 2.2 Years Redemption date: September 30, 2022	21%	30-Apr-22	-	2,727.82
Term Loan - 21	Repayments terms: 24 monthly installments Tenor of Security : 2 Years Redemption date: February 28, 2023	18%	30-Apr-22	-	687.50

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings (from banks) (continued)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 22	Repayments terms: 6 quarterly installments Tenor of Security : 1.5 Years Redemption date: September 29, 2022	18%	30-Apr-22	-	3,333.33
Term Loan - 23	Repayments terms:12 Quarterly installments Tenor of Security : 3.25 Years Redemption date: April 30, 2024	18%	30-Apr-22	-	2,624.00
Term Loan - 24	Repayments terms:11 Quarterly installments Tenor of Security : 2.8 Years Redemption date: December 31, 2023	17%	30-Apr-22	-	12,728.00
Term Loan - 25	Repayments terms: 10 quarterly installments Tenor of Security : 33 months Redemption date: October 9, 2023	18%	30-Apr-22	-	2,100.00
Term Loan - 26	Repayments terms: 36 monthly installments Tenor of Security : 3 years Redemption date: March 31, 2024	17.00%	30-Apr-22	-	2,666.67
Term Loan - 27	Repayments terms: Repayment on Maturity Tenor of Security : 3 Month Redemption date: May 13, 2022	15.00%	13-May-22	-	1,000.00
Term Loan - 28	Repayments terms: Repayment on Maturity Tenor of Security : 1 Year Redemption date: May 20, 2022	16.00%	20-May-22	-	5,000.00
Term Loan - 29	Repayments terms: Repayment on Maturity Tenor of Security : 180 days Redemption date: May 21, 2021 & June 9,2021	19%	21-May-22	-	5,000.00
Term Loan - 30	Repayments terms: Repayment on Maturity Tenor of Security : 6 Month Redemption date: May 31, 2022	15%	31-May-22	-	5,000.00
Term Loan - 31	Repayment Terms: 12 monthly instalments Tenor: 12 Months Redemption Date: July 03, 2023	Repo Rate + Spread 3.4%	03-Apr-23	2,222.22	-
Term Loan - 32	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: April 05, 2023	1 Y MCLR + Spread 0.95%	05-Apr-23	387.41	2,624.00
Term Loan - 33	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-23	2,500.00	-
Term Loan - 34	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: March 10, 2025	INR 13,900 - Repo Rate + Spread 3.5%, INR 5,000 - Repo Rate + Spread 3.75%	10-Apr-23	14,594.65	18,900.00
Term Loan - 35	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10 , 2025	Repo Rate + Spread 3.75%	10-Apr-23	8,666.67	-
Term Loan - 36	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: March 11, 2025	1 Y MCLR + Spread 0%	11-Apr-23	6,000.00	7,500.00
Term Loan - 37	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: August 13, 2024	1 Y MCLR + Spread 0.5%	13-Apr-23	2,833.33	4,833.33
Term Loan - 38	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: March 13, 2026	9.00%	13-Apr-23	5,000.00	-
Term Loan - 39	Repayments terms:10 quaterly instalments Tenor: 36 months Redemption date: December 23, 2024	1 Y MCLR + Spread 0%	23-Apr-23	2,450.00	3,500.00
Term Loan - 40	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Apr-23	12,000.00	-
Term Loan - 41	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 24, 2025	1 Y MCLR + Spread 0.25%	24-Apr-23	13,333.33	20,000.00
Term Loan - 42	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 25, 2025	364 days T Bill + Spread 3.99%	25-Apr-23	1,966.67	2,950.00

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 43	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: September 26, 2024	8.60%	26-Apr-23	3,850.00	-
Term Loan - 44	Repayments terms: Repayment on maturity Tenor: 60 days Redemption date: April 27, 2023	7.35%	27-Apr-23	5,000.00	4,000.00
Term Loan - 45	Repayments terms: 15 monthy instalments Tenor: 18 months Redemption date: April 26, 2024	3M T Bill + Spread 2.75%	27-Apr-23	4,333.40	-
Term Loan - 46	Repayments terms: 9 quaterly instalments Tenor: 27 months Redemption date: January 27 , 2025	3M T Bill + Spread 2.90%	27-Apr-23	4,444.45	-
Term Loan - 47	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	29-Apr-23	2,933.33	4,000.00
Term Loan - 48	Repayments terms: 60 monthy instalments Tenor: 60 months Redemption date: January 19, 2025	1 Y MCLR + Spread 1.5%	29-Apr-23	6,000.00	10,000.00
Term Loan - 49	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	29-Apr-23	1,466.67	2,000.00
Secured borrowing from banks					
Term Loan - 50	Repayments terms:24 monthly instalments Tenor: 24 months Redemption date: December 29, 2023	8.00%	29-Apr-23	3,748.01	8,750.00
Term Loan - 51	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 29, 2025	1 Y MCLR + Spread 1.55%	29-Apr-23	3,000.00	4,500.00
Term Loan - 52	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: September 29, 2024	1 Y MCLR + Spread 0.15%	29-Apr-23	5,454.55	9,090.91
Term Loan - 53	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 29, 2024	6M MCLR + Spread 0.3%	29-Apr-23	2,500.00	5,000.00
Term Loan - 54	Repayments terms: 11 quarterly instalments Tenor : 36 months Redemption date: March 29, 2026	1 Y MCLR + Spread 1.00%	29-Apr-23	7,500.00	-
Term Loan - 55	Repayments terms: 10 quaterly instalments Tenor: 33 months Redemption date: September 30, 2024	1 Y SOFR + Spread 2%	30-Apr-23	9,000.00	15,000.00
Term Loan - 56	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	30-Apr-23	2,083.33	2,500.00
Term Loan - 57	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2024	1 Y MCLR + Spread 0.8%	30-Apr-23	10,000.00	20,000.00
Term Loan - 58	Repayments terms: 36 montly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.25%	30-Apr-23	5,828.31	9,166.67
Term Loan - 59	Repayments terms: 12 quarterly instalments Tenor: 39 months Redemption date: April 30, 2024	6M MCLR + Spread 0.5%	30-Apr-23	1,446.29	2,624.00
Term Loan - 60	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: November 30, 2024	8.00%	30-Apr-23	3,030.30	4,848.48
Term Loan - 61	Repayments terms: Repayment on maturity Tenor: 4 months Redemption date: April 30,2023	1 Y MCLR + Spread 1.85%	30-Apr-23	2,500.00	-
Term Loan - 62	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	5,000.00	8,333.33
Term Loan - 63	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	2,500.00	4,166.67

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings (from banks) (continued)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 64	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: September 28, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	2,500.00	4,166.67
Term Loan - 65	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	30-Apr-23	4,000.00	5,000.00
Term Loan - 66	Repayments terms: 15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	30-Apr-23	3,666.67	5,000.00
Term Loan - 67	Repayments terms:15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	30-Apr-23	3,666.67	5,000.00
Term Loan - 68	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: March 31, 2024	1 Y MCLR + Spread 2.55%	30-Apr-23	416.67	1,666.67
Secured borrowing from banks					
Term Loan - 69	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: March 31, 2024	1 Y MCLR + Spread 2.25%	30-Apr-23	406.97	1,656.97
Term Loan - 70	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y T Bill + Spread 3.34%	30-Apr-23	3,500.00	5,833.33
Term Loan - 71	Repayments terms: 24 monthly instalments Tenor: 33 months Redemption date: October 21, 2024	1 Y MCLR + Spread 0.6%	30-Apr-23	1,748.94	2,500.00
Term Loan - 72	Repayments terms: 10 quarterly instalments Tenor: 33 months Redemption date: October 09, 2023	1 Y MCLR + Spread 0.05%	30-Apr-23	880.36	2,100.00
Term Loan - 73	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 31, 2024	8.60%	30-Apr-23	1,333.33	2,666.67
Term Loan - 74	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y MCLR + Spread 1%	30-Apr-23	1,250.00	2,083.33
Term Loan - 75	Repayments terms: 11 quarterly instalments Tenor: 33 Years Redemption date: December 31, 2023	6M MCLR + Spread 2.25%	30-Apr-23	5,456.00	12,728.00
Term Loan - 76	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: March 28, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	363.65	727.29
Term Loan - 77	Repayments terms: 8 quaterly instalments Tenor: 27 months Redemption date: December 28 2023	3M MCLR + Spread 3.9%	30-Apr-23	3,750.00	8,750.00
Term Loan - 78	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.3%	30-Apr-23	1,750.00	2,750.00
Term Loan - 79	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 31, 2025	1 Y MCLR + Spread 0.8%	30-Apr-23	2,647.73	4,000.00
Term Loan - 80	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: July 31, 2023	External BMLR + Spread 5%	30-Apr-23	250.00	1,000.00
Term Loan - 81	Repayments terms: 11 qauterly instalments Tenor: 36 months Redemption date: March 28, 2025	1 Y MCLR + Spread 1%	30-Apr-23	7,194.77	10,000.00
Term Loan - 82	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 30, 2024	364 days T Bill + Spread 5.2%	30-Apr-23	916.67	1,650.00
Term Loan - 83	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: May 31 , 2024	External BMLR + Spread 4.2%	30-Apr-23	1,750.00	-
Term Loan - 84	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	30-Apr-23	12,000.00	-
Term Loan - 85	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-23	9,450.00	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Term Loan - 86	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-23	3,600.00	-
Term Loan - 87	Repayments terms: 15 monthly instalments Tenor: 18 months Redemption date: February 29, 2024	1M MCLR + Spread 0.38%	30-Apr-23	1,100.00	-
Term Loan - 88	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Apr-23	6,250.00	-
Term Loan - 89	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	30-Apr-23	4,185.44	-
Term Loan - 90	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	30-Apr-23	4,324.32	-
Term Loan - 91	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR +Spread 0.8%	30-Apr-23	17,765.86	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings (from banks) (continued)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Secured borrowing from banks					
Term Loan - 92	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16 ,2025	1 Y MCLR + Spread 1.1%	30-Apr-23	9,166.67	-
Term Loan - 93	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16, 2025	1 Y MCLR + Spread 1.4%	30-Apr-23	9,166.50	-
Term Loan - 94	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-23	4,387.50	-
Term Loan - 95	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	30-Apr-23	5,000.00	-
Term Loan - 96	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-23	9,750.00	-
Term Loan - 97	Repayments terms: 24 monthly instalments Tenor: 27 months Redemption date: March 31, 2025	1 year MCLR + Spread 0.1%	30-Apr-23	5,000.00	-
Term Loan - 98	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-23	17,550.00	-
Term Loan - 99	Repayment Terms: 37 monthly instalments Tenor: 37 months Redemption Date: March 15, 2025	Repo Rate + Spread 2.30%	30-Apr-23	7,500.00	-
Term Loan - 100	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16, 2025	1 Y MCLR + Spread 1.5%	30-Apr-23	9,166.50	-
Term Loan - 101	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16, 2025	1 Y MCLR + Spread 1.3%	30-Apr-23	4,583.33	-
Term Loan - 102	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	30-Apr-23	4,000.00	-
Term Loan - 103	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 14, 2025	1 Y MCLR + Spread 1.5%	30-Apr-23	4,583.00	-
Term Loan - 104	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2025	6M MCLR + Spread 0.6%	30-Apr-23	9,000.00	-
Term Loan - 105	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2025	3M MCLR + Spread 0%	30-Apr-23	5,000.00	-
Term Loan - 106	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	30-Apr-23	15,000.00	-
Term Loan - 107	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	01-May-23	7,857.14	10,000.00
Term Loan - 108	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	01-May-23	3,750.00	5,000.00
Term Loan - 109	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	01-May-23	4,062.50	5,000.00
Term Loan - 110	Repayments terms: 15 quaterly instalments Tenor: 42 months Redemption date: June 30, 2025	1 Y MCLR + Spread 1.15%	01-May-23	3,742.76	5,000.00
Term Loan - 111	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	01-May-23	6,875.00	-
Term Loan - 112	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	01-May-23	5,000.00	-
Term Loan - 113	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	01-May-23	2,500.00	-
Term Loan - 114	Repayments terms: Repayment on maturity Tenor: 38 days Redemption date: May 05, 2023	Overnight MCLR + Spread 0.25%	05-May-23	5,000.00	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings (from banks) (continued)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 115	Repayments terms: Repayment on maturity Tenor: 39 days Redemption date: May 05, 2023	8.80%	05-May-23	5,000.00	5,000.00
Term Loan - 116	Repayments terms: Repayment on maturity Tenor: 51 Days Redemption date: May 06, 2023	1 Y MCLR + Spread 0.15%	06-May-23	2,500.00	-
Term Loan - 117	Repayments terms: Repayment on maturity Tenor: 6 months Redemption date: May 17, 2023	1 M MCLR + Spread 0%	17-May-23	5,100.67	5,000.00
Term Loan - 118	Repayments terms: Repayment on maturity Tenor: 3 months Redemption date: June 18, 2023	3 M MCLR + Spread 0.20%	18-Jun-23	8,000.00	5,000.00
Term Loan - 119	Repayments terms: Repayment on maturity Tenor: 12 months Redemption date: June 25,2023	8.70%	25-Jun-23	2,500.00	-

Secured borrowing from other financial institutions

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan from others - 1	Repayment Terms: 36 Monthly installments Tenor: 3 Years Redemption Date:Decemebr 17,2021	12.00%	17-Apr-22	-	202.63
Term Loan from others - 2	Repayment Terms: Repayment in 36 monthly installments Tenor: 3 Years Redemption Date:Sep 22,2022	12.25%	22-Apr-22	-	998.84
Term Loan from others - 3	Repayment Terms: Repayment in 24 equal monthly installments Tenor: 2 Years Redemption Date:September 22, 2022	9.35%	22-Apr-22	-	1,335.89
Term Loan from others - 4	Repayment Terms: Repayment in 11 equal quarterly installments Tenor: 2.8 Years Redemption Date:June 30,2022	11.75%	30-Apr-22	-	495.42
Term Loan from others - 5	Repayment Terms: Repayment in 12 equal quarterly installments Tenor: 3 Years Redemption Date:July 1,2022	11.75%	01-May-22	-	416.67
Term Loan from others - 6	Repayment Terms: Repayment in 12 equal quarterly installments Tenor: 3 Years Redemption Date:March 1, 2023	11.40%	01-May-22	-	833.33
Term Loan from others - 7	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: September 21, 2023	HDFC 1Y MCLR + Spread 1.95%	05-Apr-23	666.65	2,200.00
Term Loan from others - 8	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: September 28, 2024	3M MCLR + Spread 0.55%	05-Apr-23	5,937.50	-
Term Loan from others - 9	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: October 01, 2024	LTRR + Spread 9.05%	10-Apr-23	1,000.00	-
Term Loan from others - 10	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: July 30, 2024	HDFC 1Y MCLR + Spread 1.6%	29-Apr-23	2,222.22	4,800.00
Term Loan from others - 11	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	29-Apr-23	7,303.00	5,200.00
Term Loan from others - 12	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: March 30, 2024	9.25%	30-Apr-23	1,457.90	2,787.47
Term Loan from others - 13	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: October 01, 2023	8.40%	01-May-23	1,500.00	4,500.00
Term Loan from others - 14	Repayment Terms: 12 quarterly instalments Tenor: 36 months Redemption Date: June 01, 2024	9.10%	01-May-23	1,041.67	1,875.00
Term Loan from others - 15	Repayment Terms: 12 quarterly instalments Tenor: 36 months Redemption Date: June 01, 2023	11.40%	01-May-23	166.67	833.33
Term Loan from others - 16	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	01-May-23	2,250.00	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Term Loan from others - 17	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	15-May-23	18,447.50	18,447.50
Term Loan from others - 18	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	15-May-23	18,108.75	18,108.75
Term Loan from others - 19	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-23	19,825.00	-
Term Loan from others - 20	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-23	36,850.00	36,850.00

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of Suboridnated liabilities

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Sub debt from others	Repayment Terms: Entire principal to be repaid on redemption date Tenor: 66 Months Redemption Date: June 27 ,2023	10.25%	27-06-2023	2,496.18	2,496.18
Sub debt from Bank	Repayments terms: Entire principal to be repaid on redemption date Tenor of Security : 66 Months Redemption date: June 28,2023	10.25%	28-06-2023	1,498.89	1,497.29

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

18A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	15,668.20	720.00	-	16,388.20	22,613.99	1,131.47	-	23,745.46
Individually impaired	-	-	-	-	-	-	-	-
Total	**15,668.20**	**720.00**	**-**	**16,388.20**	**22,613.99**	**1,131.47**	**-**	**23,745.46**

ii An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to guarantees is, as follows:

Gross exposure reconciliation

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**22,613.99**	**1,131.47**	**-**	**23,745.46**	**26,235.56**	**739.12**	**167.06**	**27,141.74**
New exposures	3,937.96	-	-	3,937.96	5,942.08	-	-	5,942.08
Asset derecognised or repaid	(10,883.75)	(411.47)		(11,295.22)	(8,816.01)	(355.29)	(167.06)	(9,338.36)
Transfer from stage 1	-	-	-	-	(747.64)	747.64	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**15,668.20**	**720.00**	**-**	**16,388.20**	**22,613.99**	**1,131.47**	**-**	**23,745.46**

iii Reconciliation of ECL balance

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**643.72**	**58.47**	**-**	**702.19**	**636.32**	**14.79**	**108.59**	**759.70**
New exposures	74.08	-	-	74.08	73.20	-	-	73.20
Asset derecognised or repaid	(359.03)	(7.79)	-	(366.82)	(15.01)	(7.11)	(108.59)	(130.71)
Transfer from stage 1	-	-	-	-	(50.79)	50.79	-	-
Transfer from stage 2	-	1,097.32	-	1,097.32	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**358.77**	**1,148.00**	**-**	**1,506.77**	**643.72**	**58.47**	**-**	**702.19**

18B Impairment loss allowance for loan commitments

i Credit quality of exposure

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	12,733.82	500.00	-	13,233.82	29,004.00	-	-	29,004.00
Total	**12,733.82**	**500.00**	**-**	**13,233.82**	**29,004.00**	**-**	**-**	**29,004.00**

ii An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loan commitments is, as follows:

Gross exposure reconciliation

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**29,004.00**	**-**	**-**	**29,004.00**	**19,889.00**	**-**	**-**	**19,889.00**
New exposures	13,233.82	-		13,233.82	29,004.00	-	-	29,004.00
Assets converted to funded exposure	(29,004.00)	-	-	(29,004.00)	(19,889.00)	-	-	(19,889.00)
Transfer from stage 1	(500.00)	500.00	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**12,733.82**	**500.00**	**-**	**13,233.82**	**29,004.00**	**-**	**-**	**29,004.00**

iii Reconciliation of ECL balance

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**427.25**	**-**	**-**	**427.25**	**433.64**	**-**	**-**	**433.64**
New exposures	251.76	-	-	251.76	427.25	-	-	427.25
Assets converted to funded exposure	(409.77)	-	-	(409.77)	(433.64)	-	-	(433.64)
Transfer from stage 1	(6.81)	10.22	-	3.41	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**262.42**	**10.22**	**-**	**272.64**	**427.25**	**-**	**-**	**427.25**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
20 Share capital		
Authorised		
137,000,000 (March 31, 2022: 137,000,000) equity shares of INR 10 each	13,700.00	13,700.00
60,100,000 (March 31, 2022: 60,100,000) 0.0001% Compulsorily convertible preference shares of INR 20 each	12,020.00	12,020.00
19,800,000 (March 31, 2022: 19,800,000) 9.85% Cumulative non convertible compulsorily redeemable preference shares of INR 10 each	1,980.00	1,980.00
	27,700.00	**27,700.00**
Issued, subscribed and paid up		
Equity shares		
89,031,293 (March 31, 2022: 88,907,543) equity shares of INR 10 each	8,903.13	8,890.75
	8,903.13	**8,890.75**
Instruments entirely equity share in nature:		
0.0001% Compulsorily convertible preference shares		
41,323,204 (March 31,2022 : 41,323,204) preference share of INR 20 each	8,264.64	8,264.64
	8,264.64	**8,264.64**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	8,89,07,543	8,890.75	8,79,21,550	8,792.15
Add: Equity Shares issued during the year - ESOP	1,23,750	12.38	9,85,993	98.60
At the end of the year	**8,90,31,293**	**8,903.13**	**8,89,07,543**	**8,890.75**
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	4,13,23,204	8,264.64	4,13,23,204	8,264.64
Add: Preference Shares issued during the year	-	-	-	-
At the end of the year	**4,13,23,204**	**8,264.64**	**4,13,23,204**	**8,264.64**

b) Equity shares reserved for issue under options

During the year, the Company has issued 123,750 (March 31, 2022 : 985,993) equity shares which were allotted to employees who exercised their options under ESOP scheme.

Information relating to Employee Stock Option Schemes including the details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 41.

c) Rights, preferences and restrictions attached to each class of shares

i) Equity shares

The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. 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 interim dividend.

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

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

c) Rights, preferences and restrictions attached to each class of shares (continued)

ii) 0.0001% Compulsorily convertible preference shares:

0.0001% Compulsory Convertible Preference Shares ('CCPS') having a par value of INR 20 is convertible in the ratio of 1:1 and are treated pari-passu with equity shares on all voting rights. The conversion shall happen at the option of the preference shareholders. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of red herring prospectus (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable law at the relevant time; and
b. The date which is 19 (nineteen) years from the date of allotment of CCPS.

Till conversion, the holders of CCPS shall be entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

d) There are no bonus shares, non-cash issues in the last 5 years

e) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**% held**	**No. of shares**	**% held**
Equity shares:				
Leapfrog Financial Inclusion India (II) Limited	2,99,52,665	33.64%	2,99,52,665	34.07%
Augusta Investments Pte II Ltd	2,26,30,995	25.42%	2,03,28,820	23.12%
Dvara Trust	99,29,257	11.15%	1,28,78,682	14.65%
Accion Africa Asia Investment Company	76,99,529	8.65%	76,99,529	8.76%
Sumitomo Mitsui Banking Corporation	70,04,364	7.87%	70,04,364	7.97%
	7,72,16,810	**86.73%**	**7,78,64,060**	**88.57%**
0.0001% Compulsorily convertible preference shares:				
Eight Roads Investments Mauritius (II) Limited	1,16,30,889	28.15%	1,16,30,889	28.15%
IIFL Special Opportunities Fund – Series 4	66,09,362	15.99%	66,09,362	15.99%
IIFL Special Opportunities Fund – Series 5	54,23,128	13.12%	54,23,128	13.12%
IIFL Special Opportunities Fund – Series 2	43,71,781	10.58%	43,71,781	10.58%
IIFL Special Opportunities Fund	41,61,142	10.07%	41,61,142	10.07%
IIFL Special Opportunities Fund – Series 7	36,93,947	8.94%	36,93,947	8.94%
Augusta Investments II Pte. Ltd.	32,56,115	7.88%	32,56,115	7.88%
	3,91,46,364	**94.73%**	**3,91,46,364**	**94.73%**

f) There are no shares shares held by promoters as at March 31, 2023 and March 31, 2022.
The determination /identification of promoters for the purpose of presentation under this disclosure has been done on the basis of information available with the company which has been solely relied upon by the auditors.

		As at March 31, 2023	As at March 31, 2022
21	**Other equity**		
a)	**Securities premium**		
	At the commencement of the year	85,510.52	83,897.44
	Add: Premium on equity shares issued during the year upon exercise of ESOP	168.51	1,613.08
	At the end of the year	**85,679.03**	**85,510.52**
b)	**Statutory reserve**		
	At the commencement of the year	13,165.34	9,890.76
	Add : Transfer from retained earnings	4,507.12	3,274.58
	At the end of the year	**17,672.46**	**13,165.34**
c)	**Shared Based Payment Reserve**		
	At the commencement of the year	2,042.97	2,297.81
	Add: Employee compensation expense during the year	141.61	320.67
	Less: Transfer to Retained earnings	(434.51)	-
	Less: Transfer to securities premium on allotment of equity shares	(49.65)	(575.51)
	At the end of the year	**1,700.42**	**2,042.97**
d)	**Retained earnings**		
	At the commencement of the year	49,164.53	36,194.47
	Add: Profit for the year	22,535.61	16,372.93
	Add: Re-measurement of defined benefit plan	90.04	(128.28)
	Add: Transfer from Shared Based Payment reserve	434.51	-
	Less: Transfer to statutory reserve	(4,507.12)	(3,274.58)
	At the end of the year	**67,717.57**	**49,164.53**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
e)	**Capital reserve**		
	At the commencement of the year	3.57	3.57
	At the end of the year	**3.57**	**3.57**
f)	**Capital redemption reserve**		
	At the commencement of the year	2,660.00	2,660.00
	Add: Additions for the year	-	-
	At the end of the year	**2,660.00**	**2,660.00**
g)	**Other comprehensive income - Financial Instruments through OCI**		
	At the commencement of the year	3,237.07	4,267.40
	Add : Fair valuation of financial instruments (refer note (vii) (a) below)	(418.43)	(1,030.33)
	At the end of the year	**2,818.64**	**3,237.07**
h)	**Other comprehensive income - Cash Flow Hedge Reserve**		
	At the commencement of the year	(1,947.95)	(382.22)
	Less : Cash flow hedge reserve (refer note (vii) (b) below)	(756.42)	(1,565.73)
	At the end of the year	**(2,704.37)**	**(1,947.95)**
	Total (a+b+c+d+e+f+g+h)	**1,75,547.32**	**1,53,836.06**

Nature and purpose of reserve

(i) 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 Companies Act 2013.

(ii) Shared Based Payment Reserve

The Company has established various equity settled share based payment plans for certain categories of employees of the Company. Refer Note 41 for the details about each of the schemes.

(iii) 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 pursuant to which a Non Banking Finance Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss account, before any dividend is declared. 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.

(iv) Retained earnings

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

(v) Capital reserve

Pursuant to Scheme of arrangement entered in the year ended 31 March 2017, the Company has created a capital reserve in accordance with the applicable accounting standards.

(vi) Capital redemption reserve

The capital redemption reserve was created on account of the redemption of the Cumulative non convertible compulsorily redeemable preference shares in accordance with section 69 of Companies Act, 2013.

(vii) Other comprehensive income

a) The Company has elected to recognise changes in the fair value of loans and investments in other comprehensive income. These changes are accumulated within other equity - Financial Instruments through OCI. Amounts recognised as fair value is reclassified to the statement of profit and loss when the financial instrument affects profit or loss (e.g. interest receipts).

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. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

22 Interest income

	Year ended March 31, 2023			Year ended March 31, 2022		
	On financial assets measured at			On financial assets measured at		
	FVOCI	Amortised cost	Total	FVOCI	Amortised cost	Total
Interest on loans	12,512.75	83,071.75	95,584.50	9,445.55	54,474.21	63,919.76
Interest from investments:						
- Pass through certificates	1,554.95	-	1,554.95	1,504.75	-	1,504.75
- Commercial paper	-	202.35	202.35	-	90.39	90.39
- Non-convertible debentures	13,044.23	-	13,044.23	8,980.05	-	8,980.05
Interest on deposits with banks	-	1,869.21	1,869.21	-	1,055.37	1,055.37
	27,111.93	**85,143.31**	**1,12,255.24**	**19,930.35**	**55,619.97**	**75,550.32**

	Year ended March 31, 2023	Year ended March 31, 2022
23 Fee and commission income		
Revenue from contract with customers:		
Income from guarantee facility	417.20	544.57
Income from other financial services		
- Professional fee	5,004.71	5,628.28
- Arranger fee for guarantee facility	206.24	238.27
	5,628.15	**6,411.12**
Timing of revenue recognition:		
- That are recognised over a certain period of time	417.20	-
- That are recognised at a point of time	5,210.95	6,411.12
Geographical Market		
- In India	5,628.15	6,411.12
- Outside India	-	-
Contract balances		
- Trade receivables (net of ECL)	1,890.98	1,814.50
24 Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss		
On alternative investment funds	3,109.17	2,975.88
On market linked debentures	(182.92)	1,080.86
On mutual fund investments	720.30	396.98
Profit on sale of investments in non-convertible debentures and pass-through certificates	1,680.78	296.24
	5,327.33	**4,749.96**
Fair value changes:		
-Realised	6,663.30	4,319.76
-Unrealised	(1,335.97)	430.20
	5,327.33	**4,749.96**
25 Other income		
Other non-operating income	277.49	594.09
Recovery from bad debts	97.63	-
Profit on sale of property, plant and equipment	23.87	-
Interest income from income tax refund	143.54	106.44
	542.53	**700.53**
26 Finance costs		
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits	94.61	31.36
Interest on borrowings		
- Term loans from banks and others	41,241.66	23,551.48
- Cash credits and overdraft	12.21	47.15
Interest on debt securities	11,580.67	14,417.88
Interest on lease liability	91.95	106.66
Amortisation of discount on commercial papers	1,037.81	1,333.65
Other borrowing costs	1,631.80	1,538.75
	55,690.71	**41,026.93**

27 Impairment on financial instruments

Particulars	**On Financial instruments measured at fair value through OCI**	**On Financial instruments measured at Amortised Cost**	**Total for the year ended 31 March 2023**	**On Financial instruments measured at fair value through OCI**	**On Financial instruments measured at Amortised Cost**	**Total for the year ended 31 March 2022**
Write off on financial instruments						
Loans	-	85.58	85.58	-	3,378.03	3,378.03
Investments	-	-	-	7,500.00	-	7,500.00
Less: Recovery	-	(266.70)	(266.70)	-	(189.37)	(189.37)
Impairment loss allowance on financial instruments						
Loans	809.46	3,157.43	3,966.89	(522.22)	(1,669.74)	(2,191.96)
Investments	(546.38)	1.21	(545.17)	(4,904.39)	-	(4,904.39)
Others	-	653.77	653.77	-	92.43	92.43
	263.08	**3,631.29**	**3,894.37**	**2,073.39**	**1,611.35**	**3,684.74**

		Year ended March 31, 2023	Year ended March 31, 2022
28	**Employee benefits**		
	Salaries, wages and bonus	9,709.76	7,749.44
	Contribution to provident fund	473.26	348.08
	Employee Stock Option Expense (refer note 41)	148.75	294.94
	Gratuity Expenses (refer note 40)	176.44	114.33
	Staff welfare expenses	449.22	264.86
		10,957.43	**8,771.65**
29	**Depreciation and amortisation**		
	Depreciation of property, plant and equipment (refer note 10.1)	370.22	165.04
	Depreciation on right of use asset (refer note 10.2)	253.16	450.97
	Amortisation of intangible assets (refer note 10.4)	402.76	295.81
		1,026.14	**911.82**
30	**Other expenses**		
	Rent	702.72	415.56
	Rates and taxes	6.67	4.70
	Travelling and conveyance	553.08	327.49
	Legal and professional charges	4,172.22	2,948.56
	Auditors' remuneration (refer note 30.1 below)	138.56	129.08
	Directors' sitting fees	50.14	58.32
	Repairs and maintenance	881.98	531.08
	Communication expenses	211.88	113.72
	Printing and stationery	40.72	18.86
	Subscription charges	252.43	64.56
	Advertisement and business promotion	535.40	128.96
	Corporate social responsibility expenditure (refer note 30.2 below)	282.27	230.37
	Bank charges	101.60	45.32
	Miscellaneous expenses	36.65	18.15
		7,966.32	**5,034.73**

		Year ended March 31, 2023	Year ended March 31, 2022
30.1	**Payments to auditor (excluding goods and services tax) (Refer note below)**		
	Statutory audit including limited reviews and certificates	128.00	124.30
	Tax audit	1.50	1.50
	Reimbursement of expenses	9.06	3.28
		138.56	**129.08**

Note:1. Payment to auditors towards statutory audit including limited review above includes INR. 33.80 lakhs paid to predecessor auditors during financial year 2021-22.

		Year ended March 31, 2023	Year ended March 31, 2022
30.2	**Corporate social responsibility ("CSR") expenditure**		
	(a) Gross amount required to be spent by the Company during the year	282.27	230.37
	(b) Amount approved by the Board to be spent during the year	350.52	223.40
	(c) Amount spent during the year ended:		
	(i) Construction/ acquisition of any asset	-	-
	(ii) On purposes other than (i) above		
	- In Cash	350.52	239.16
	- Other than Cash	-	-
	(d) Details related to spent / unspent obligations:		
	Contribution to Public Trust	-	-
	Contribution to Charitable Trust	350.52	239.16
	Unspent amount in relation to:		
	- Ongoing project	-	-
	- Other than ongoing project	-	-

The primary nature of expenses include commissioning of in-depth financial inclusion survey and developing a financial inclusion index/ metric, enhancement of amenities to government schools and transfer of funds to the CSR arm of the Company being the Northern Arc Foundation from where the ultimate spend would be monitored.

	Year ended March 31, 2023	Year ended March 31, 2022
(e) In case of S. 135(5) (Other than ongoing project):		
Opening balance	53.36	44.57
Amount deposited in SpecifiedFund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	(282.27)	(230.37)
Amount spent during the year	350.52	239.16
Closing Balance	**121.61**	**53.36**

30.3	**Particulars**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	a) Expenditure in foreign currency		
	Processing fee on borrowings	573.78	205.83
	Legal and professional expense	357.06	78.43
	Total	**930.84**	**284.26**

b) There are no remittances in foreign currency

c) There are no dividend paid in foreign currency

30.4 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 and the final rules/interpretation have not yet been issued. 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.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

31 Income tax

A. The components of income tax expense for the years ended 31 March 2023 and 2022 are:

Profit or loss section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
i) current income tax charge	9,487.00	4,718.00
ii) Adjustments in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	(1,717.67)	1,617.91
Income tax expense reported in the statement of profit and loss	**7,769.33**	**6,335.91**

OCI section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax on		
Remeasurements of the defined benefit asset/ (liability)	(30.28)	43.15
Fair valuation of Financial Instruments through OCI (Net)	140.74	346.56
Net movement on Effective portion of Cash Flow Hedges	254.44	526.66
Deferred tax charged to OCI	**364.89**	**916.38**

B. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 2022 is as follows:-

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	30,304.94	22,708.84
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	**7,627.75**	**5,715.82**
Tax effect of-		
Permanent differences		
Disallowance related to CSR Expenditure	282.27	620.09
Tax expenses recognised in the statement of profit and loss (pertaining to current year)	**7,910.02**	**6,335.91**
Effective tax rate	26.10%	27.90%

Note: The Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the year ended 31 March 2023.

C. 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	Other comprehensive income	As at March 31, 2023
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	25.63	(25.46)	-	0.17
Impact of fair value on financial assets measured at FVTPL	(774.89)	299.35	-	(475.54)
Impact of fair value on financial assets measured at FVOCI	(153.76)	-	395.17	241.41
Impairment on financial assets	1,739.40	1,032.73	-	2,772.13
Provision for employee benefits	259.36	0.98	(30.28)	230.06
Unamortised component of processing fee	264.59	760.61	-	1,025.20
EIS Receivable	-	(350.54)	-	(350.54)
Total	**1,360.33**	**1,717.67**	**364.89**	**3,442.89**

Particulars	As at March 31, 2021	Statement of profit and loss	Other comprehensive income	As at March 31, 2022
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	(17.62)	43.25	-	25.63
Impact of fair value on financial assets measured at FVTPL	(666.62)	(108.27)	-	(774.89)
Impact of fair value on financial assets measured at FVOCI	343.05	-	(496.81)	(153.76)
Impairment on financial assets	1,925.97	(1,556.53)	1,369.96	1,739.40
Provision for employee benefits	177.38	81.98	-	259.36
Unamortised component of processing fee	307.63	(43.04)	-	264.59
Premium accrued on preference shares	-			-
Others	(7.91)	7.91	-	-
Total	**2,061.88**	**(1,574.70)**	**873.15**	**1,360.33**

32 Earnings per share ('EPS')

	Year ended March 31, 2023	Year ended March 31, 2022
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	22,535.61	16,372.93
Net profit attributable to equity shareholders for calculation of diluted EPS	22,535.61	16,372.93
Shares		
Equity shares at the beginning of the year	8,89,07,543	8,79,21,550
Equity shares issued during the year	1,23,750	9,85,993
Total number of equity shares outstanding at the end of the year	**8,90,31,293**	**8,89,07,543**
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	8,89,68,868	8,83,86,489
Options granted	20,58,026	20,26,659
Compulsory convertible preference shares	4,13,23,204	4,13,23,204
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	**13,23,50,098**	**13,17,36,352**
Face value per share	10.00	10.00
Earning per share		
Basic	25.34	18.52
Diluted	17.03	12.43

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

33 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. Derivatives have been classified to mature and/ or be repaid within 12 months, regardless of the actual contractual maturities of the products. 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, 2023			As at March 31, 2022		
	Within 12 Months	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**
Assets						
Cash and cash equivalents	20,401.99	-	20,401.99	70,421.30	-	70,421.30
Bank balances other than cash and cash equivalents	7,476.40	10,837.80	18,314.20	7,309.29	1,425.15	8,734.44
Derivative financial instruments	-	6,104.84	6,104.84	41.85	110.00	151.85
Trade receivables	1,890.98	-	1,890.98	1,814.50	-	1,814.50
Loans	5,01,115.80	1,87,914.20	6,89,030.00	3,35,483.67	1,86,781.74	5,22,265.41
Investments	57,912.41	1,11,752.88	1,69,665.29	62,814.85	1,01,119.23	1,63,934.08
Other financial assets	3,895.85	606.13	4,501.98	6,755.46	311.92	7,067.38
Current tax assets (net)	-	2,127.90	2,127.90	-	4,056.59	4,056.59
Deferred tax assets (net)	-	3,442.89	3,442.89	-	1,360.33	1,360.33
Property, plant and equipment	-	219.85	219.85	-	157.86	157.86
Intangible assets under development	-	98.87	98.87	-	28.44	28.44
Intangible assets	-	1,336.01	1,336.01	-	940.10	940.10
Right of use asset	-	652.85	652.85		780.91	780.91
Goodwill		2,085.13	2,085.13	-	-	-
Other non- financial assets	601.63	-	601.63	1,706.76	100.83	1,807.59
Total Assets	**5,93,295.06**	**3,27,179.35**	**9,20,474.41**	**4,86,347.68**	**2,97,173.10**	**7,83,520.78**
Liabilities						
Derivative financial instruments	-	227.59	227.59	17.33	626.49	643.82
Trade payables			-			-
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	10,642.39	-	10,642.39	5,405.12	-	5,405.12
Debt securities	50,498.48	71,933.07	1,22,431.55	73,261.88	61,097.80	1,34,359.68
Borrowings (Other than debt securities)	2,61,728.02	3,15,301.84	5,77,029.86	2,14,005.71	2,45,936.91	4,59,942.62
Subordinated debt	3,995.07	-	3,995.07	410.00	3,583.47	3,993.47
Other financial liabilities	8,313.48	1,467.49	9,780.97	4,916.47	682.47	5,598.94
Provisions	1,998.68	694.76	2,693.44	1,322.69	837.25	2,159.94
Other non-financial liabilities	958.45	-	958.45	425.75	-	425.75
Total Liabilities	**3,38,134.57**	**3,89,624.75**	**7,27,759.32**	**2,99,764.95**	**3,12,764.39**	**6,12,529.34**
Total equity			**1,92,715.09**			**1,70,991.44**

33A Change in Liabilities arising from financing activities

Particulars	As at April 1, 2022	Cash flows	Exchange difference	Others*	New Leases	As at March 31, 2023
Debt Securities	1,34,359.68	(12,180.78)	-	252.65	-	1,22,431.55
Borrowings (other than debt securities)	4,59,942.62	1,08,982.60	7,415.38	689.26	-	5,77,029.86
Sub-ordinated Liabilities	3,993.47	-	-	1.60	-	3,995.07
Lease Liabilities	1,051.52	(353.80)	-	(33.15)	125.10	789.67

Particulars	As at April 1, 2021	Cash flows	Exchange difference	Others*	New Leases	As at March 31, 2022
Debt Securities	1,63,956.78	(30,930.75)	-	1,333.65	-	1,34,359.68
Borrowings (other than debt securities)	2,25,258.30	2,32,219.21	2,929.09	(463.98)	-	4,59,942.62
Sub-ordinated Liabilities	3,988.79	-	-	4.68	-	3,993.47
Lease Liabilities	1,127.38	(138.45)	-	(288.03)	350.62	1,051.52

*Others includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees, decrease in lease liability on account of termination.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

34 Leases

The Company has operating lease agreement primarily for office premises. The leases typically run for a period of 1 to 10 years, with an option to extend the lease or terminate, either at the option of lessee or lessor or on mutual agreement. The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

(i) Movement in carrying value of right of use assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	**780.91**	**985.44**
Add:		
Additions during the year	116.73	350.62
Addition on account of acquisition of business (refer note 79)	8.37	-
Less:		
Depreciation	253.16	450.97
Derecognition on termination of lease	-	104.18
Closing balance	**652.85**	**780.91**

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening Balance	**1,051.52**	**1,127.38**
Additions during the year	125.10	350.62
Interest on lease liabilities	91.95	106.66
Rent payment	(478.90)	(387.98)
Derecognition on termination of lease	-	(145.16)
Closing balance	**789.67**	**1,051.52**

(iii) Amounts recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Depreciation charge for right-of-use assets	253.16	450.97
b) Interest expense (included in finance cost)	91.95	106.66
c) Expense relating to short-term leases	702.72	415.56
d) Gain recognised on derecognition of leases	-	40.97
e) Rent concession related to COVID-19	-	3.10

(iv) Cash Flows

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
The total cash outflow of leases	353.80	138.45

(v) Maturity analysis of undiscounted lease liabilities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Not later than one year	420.81	458.18
Later than one year and not later than five years	333.38	730.67
Later than five years	35.01	38.54

Lease liabilities are recognised at weighted average incremental borrowing rate of 9.70%.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosures are provided in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

The Following methodologies and assumptions were used to estimate the fair values of the financial assets or liabilities

i) The fair value of Loans are primarily variable rate instruments. Accordingly, the fair value has been assumed to be equal to the carrying amount..
ii) The fair value of debt securities, borrowings and subordinated liabilities are primarily variable rate instruments. Accordingly, the fair value has been assumed to be equal to the carrying amount.
iii) The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
iv) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.
iv) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.

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

Financial instruments by category

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

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	1,82,829.41	-	-	1,82,829.41	1,82,829.41
Investments						
- Pass-through certificates	-	13,120.35	-	-	13,120.35	13,120.35
- Non convertible debentures	-	95,195.92	-	-	95,195.92	95,195.92
- Commercial papers	-	1,958.13	-	-	1,958.13	1,958.13
- Investment in Government securities	-	-	-	-	-	-
- Market Linked Debentures	26,481.09	-			26,481.09	26,481.09
- Alternative Investment Funds	22,413.20	-	-	-	22,413.20	22,413.20
- Share warrants	1.62	-	-	-	1.62	1.62
Derivative financial instruments	225.57	5,879.27	-	-	6,104.84	6,104.84
Financial liabilities:						
Derivative financial instruments	78.28	149.31	-	-	227.59	227.59

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2022 were as follows

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	97,879.98	-	-	97,879.98	97,879.98
Investments						
- Pass-through certificates	-	14,504.11	-	-	14,504.11	14,504.11
- Non convertible debentures	-	86,548.21	-	-	86,548.21	86,548.21
- Market Linked Debentures	25,159.28	-	-	-	25,159.28	25,159.28
- Alternative Investment Funds	33,983.97	-	-	-	33,983.97	33,983.97
- Share warrants	1.62	-	-	-	1.62	1.62
Derivative financial instruments	-	151.85	-	-	151.85	151.85
Financial liabilities:						
Derivative financial instruments	-	643.82	-	-	643.82	643.82

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Financial assets measured at FVOCI		
Balance at the beginning of the year	3,237.07	4,267.40
Total gains measured through OCI for additions made during the year	(418.43)	(1,030.33)
Balance at the end of the year	**2,818.64**	**3,237.07**
Financial assets measured at FVTPL		
Balance at the beginning of the year	33,985.59	30,064.05
Total gains measured through PL for additions made during the year	(11,570.77)	3,921.54
Balance at the end of the year	**22,414.82**	**33,985.59**

Sensitivity analysis - Increase/ decrease of 100 basis points

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	1,828.29	(1,828.29)	978.80	(978.80)
Investments				
- Pass through securities	131.20	(131.20)	145.04	(145.04)
- Non convertible debentures	951.96	(951.96)	865.48	(865.48)
- Market Linked debentures	264.81	(264.81)	251.59	(251.59)
- Alternative Investment Funds	224.13	(224.13)	339.84	(339.84)
- Share warrants	0.02	(0.02)	0.02	(0.02)
Derivative financial instruments	61.05	(61.05)	1.52	(1.52)
Financial liabilities:				
Derivative financial instruments	(2.28)	2.28	(6.44)	6.44

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

The carrying value and fair value of other financial instruments by categories as of March 31, 2023 were as follows:

Particulars	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	20,401.99	-	-	20,401.99	20,401.99
Bank balances other than cash and cash equivalents	18,314.20	-	-	18,314.20	18,314.20
Trade receivables	1,890.98	-	-	1,890.98	1,890.98
Loans	5,15,102.75	-	-	5,15,211.25	5,15,211.25
Investments	12,454.32	-	-	12,454.32	
Other financial assets	4,501.98	-	-	4,501.98	4,501.98
Financial liabilities not measured at fair value:					
Trade payables					
-total outstanding dues of micro and small enterprises	-	-	-	-	-
	10,642.39	-	-	10,642.39	10,642.39
-total outstanding dues of creditors other than micro and small enterprises		-	-	-	
Debt securities	1,22,431.55	-	-	1,22,431.55	1,22,431.55
Borrowings (Other than debt securities)	5,77,029.86	-	-	5,77,029.86	5,77,029.86
Subordinated debt	3,995.07	-	-	3,995.07	3,995.07
Other financial liabilities	9,780.97	-	-	9,780.97	9,780.97

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	70,421.30	-	-	70,421.30	70,421.30
Bank balances other than cash and cash equivalents	8,734.44	-	-	8,734.44	8,734.44
Trade receivables	1,814.50	-	-	1,814.50	1,814.50
Loans	4,30,157.14	-	-	4,31,000.25	4,31,000.25
Investments	2,743.20	-	-	2,743.20	2,743.20
Other financial assets	7,067.38	-	-	7,067.38	7,067.38
Financial liabilities not measured at fair value:					
Trade payables					
-total outstanding dues of micro and small enterprises	-	-	-	-	-
	5,405.12	-	-	5,405.12	5,405.12
-total outstanding dues of creditors other than micro and small enterprises		-	-	-	-
Debt securities	1,34,359.68	-	-	1,34,359.68	1,34,359.68
Borrowings (Other than debt securities)	4,59,942.62	-	-	4,59,942.62	4,59,942.62
Subordinated debt	3,993.47	-	-	3,993.47	3,993.47
Other financial liabilities	5,598.94	-	-	5,598.94	5,598.94

Note:

For all of the financial assets and liabilities which are not carried at fair value, the carrying amounts approximates the fair values except for loans where considering the limited / lack of availability of observable inputs for fair valuation and considering the nature of such items / transactions, management has disclosed the carrying amounts as the fair values.

B Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company's gearing ratio is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Debt securities	1,22,431.55	1,34,359.68
Borrowings (other than debt securities)	5,77,029.86	4,59,942.62
Subordinated liabilities	3,995.07	3,993.47
Less: cash and cash equivalents	(20,401.99)	(70,421.30)
Adjusted net debt	**6,83,054.49**	**5,27,874.47**
Total equity	1,92,715.09	1,70,991.44
Gearing ratio	3.54	3.09

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. Also refer note 47.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

36 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings from banks, issue of debentures and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans and advances, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk, market risk, foreign currency risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee 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.

Risk management framework
The Company's board of directors and risk management committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(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 loans and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

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 with in India.

Particulars	Carrying Amount	
	As at March 31, 2023	As at March 31, 2022
Term loans and Structured cash credit	6,97,932.16	5,28,037.12
Less : Impairment loss allowance	(8,902.16)	(5,771.71)
	6,89,030.00	**5,22,265.41**

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.

Staging:

As per the provision of 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 lifespan of the instrument.

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

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months Provision
1-30 Days	Stage 1	12 Months Provision
31-90 Days	Stage 2	Lifetime Provision
90+ Days	Stage 3	Lifetime Provision

Also refer note 80

Grouping
As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:
- Loans
- Guarantees to pooled issuances
- Other guarantees
- Undrawn exposure
- Second loss credit enhancement
- Investments in pass through securities
- Investments in non convertible debentures

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

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:
a. Marginal Probability of default ("MPD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

Marginal probability of default:
Probability of default ("PD") is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

For computation of PD, Pluto Tash Model was used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out on PD based on the last four years historical data.

Marginal probability:
The PDs derived from the Autoregressive integrated moving average (ARIMA) model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

36 Financial risk management objectives and policies (continued)

Conditional marginal probability:
As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.
The probability of default was calculated for 3 scenarios: upside, downside and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

LGD
LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Considering the low expertise in default and recovery, the Company has considered an LGD of 65% as recommended by the Foundation Internal Ratings Based (FIRB) approach under Basel II guidelines issued by RBI.

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

The Company has considered expected cash flows , undrawn exposures and second loss credit enhancement (SLCE) for all the loans at DPD bucket level for each of the risk segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:
As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:
Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
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, 2023	As at March 31, 2022
Stage 1	12 month provision	5,176.46	3,323.31
Stage 2	Life time provision	519.40	441.23
Stage 3	Life time provision	3,206.30	2,007.17
Amount of expected credit loss provided for		**8,902.16**	**5,771.71**

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.

Particulars	As at March 31, 2023	As at March 31, 2022
ECL allowance - opening balance	**5,771.71**	**7,250.70**
Addition during the year	3,071.85	3,568.78
Reversal during the year	144.18	(1,669.74)
Write offs during the year	(85.58)	(3,378.03)
Closing provision of ECL	**8,902.16**	**5,771.71**

Analysis of credit quality of exposure, changes in the gross carrying amount of loans and the corresponding ECL allowance in relation to Loans:
Credit quality of exposure

Particulars	**As at March 31, 2023**				**As at March 31, 2022**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing	6,85,957.59	5,272.09	-	6,91,229.68	5,16,600.02	8,184.54	-	5,24,784.56
Sub-standard	-	-	6,702.48	6,702.48	-	-	3,252.56	3,252.56
Total	**6,85,957.59**	**5,272.09**	**6,702.48**	**6,97,932.16**	**5,16,600.02**	**8,184.54**	**3,252.56**	**5,28,037.12**

Changes in gross carrying amount

Particulars	**As at March 31, 2023**				**As at March 31, 2022**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at the beginning of the year	**5,16,600.02**	**8,184.54**	**3,252.56**	**5,28,037.12**	**3,53,150.13**	**26,717.73**	**3,895.75**	**3,83,763.61**
New assets originated *	5,20,824.38	3,698.15	2,588.00	5,27,110.53	3,03,077.84	1,209.36	252.92	3,04,540.12
Asset derecognised or repaid	(3,41,635.62)	(6,378.03)	(552.10)	(3,48,565.75)	(1,34,963.70)	(21,547.72)	(377.16)	(1,56,888.58)
Transfer from stage 1	(11,251.26)	1,295.39	2,610.73	(7,345.14)	(4,664.25)	3,827.29	836.96	-
Transfer from stage 2	1,417.49	(1,529.43)	390.51	278.57	-	(812.40)	812.40	-
Transfer from stage 3	2.58	1.47	(1,501.64)	(1,497.59)	-	-	-	-
Write offs	-	-	(85.58)	(85.58)	-	(1,209.72)	(2,168.31)	(3,378.03)
As at the end of the year	**6,85,957.59**	**5,272.09**	**6,702.48**	**6,97,932.16**	**5,16,600.02**	**8,184.54**	**3,252.56**	**5,28,037.12**

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

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Reconciliation of ECL Balance

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**3,323.31**	**441.23**	**2,007.17**	**5,771.71**	**4,085.53**	**962.74**	**2,202.43**	**7,250.70**
New assets originated	3,550.34	249.77	108.33	3,908.44	2,428.27	24.89	-	2,453.16
Asset derecognised or repaid	(608.49)	(104.06)	20.14	(692.41)	(2,960.09)	557.06	1,848.91	(554.12)
Transfer from stage 1	(1,113.23)	27.81	1,085.42	-	(235.37)	126.60	108.77	-
Transfer from stage 2	24.53	(95.35)	70.82	-	4.97	(20.34)	15.37	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	(85.58)	(85.58)	-	(1,209.72)	(2,168.31)	(3,378.03)
As at the end of the year	**5,176.46**	**519.40**	**3,206.30**	**8,902.16**	**3,323.31**	**441.23**	**2,007.17**	**5,771.71**

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are, vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

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.

B. ***Investments***

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The exposure to credit risk for investments is to other non-banking finance companies and financial institutions.

The risk committee has established a credit policy under which each new investee pool is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc. For investments the collateral is the underlying loan pool purchased from the financial institutions.

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 investments are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. Further, the risk management committee periodically assesses the credit rating information.

Analysis of credit quality of exposure and changes in the gross carrying amount of Investments
Credit quality of exposure

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	1,69,666.50	-	-	1,69,666.50	1,63,203.35	481.66	-	1,63,685.01
Sub-standard	-	-	-	-	-	-	249.07	249.07
Total	**1,69,666.50**	**-**	**-**	**1,69,666.50**	**1,63,203.35**	**481.66**	**249.07**	**1,63,934.08**

Changes in gross carrying amount

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,63,203.35**	**481.66**	**249.07**	**1,63,934.08**	**1,21,750.34**	**649.04**	**7,787.63**	**1,30,187.01**
New assets originated *	1,22,121.12	-	-	1,22,121.12	1,15,018.59	141.67	-	1,15,160.26
Asset derecognised or repaid	(1,15,657.97)	(481.66)	(249.07)	(1,16,388.70)	(73,565.58)	(309.05)	(38.56)	(73,913.19)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	(7,500.00)	(7,500.00)
As at the end of the year	**1,69,666.50**	**-**	**-**	**1,69,666.50**	**1,63,203.35**	**481.66**	**249.07**	**1,63,934.08**

C. ***Cash and cash equivalent and Bank deposits***

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

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

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

(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 foreign exchange rates, interest rates and equity prices which will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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 interest rate profile of the Company's interest bearing financial instruments is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial assets	2,92,583.52	1,41,282.90
Financial liabilities	2,21,838.48	3,33,162.77
	5,14,422.00	**4,74,445.67**
Variable rate instruments		
Financial assets	4,16,761.70	4,37,041.62
Financial liabilities	4,81,618.00	2,65,133.00
	8,98,379.70	**7,02,174.62**

Sensitivity analysis - Increase/ decrease of 100 basis points

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Bank Deposits	203.15	(203.15)	560.59	(560.59)
Loans	3,964.46	(3,964.46)	3,809.83	(3,809.83)
Borrowings	(4,816.18)	4,816.18	(2,651.33)	2,651.33

(iv) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering into cross currency interest rate swaps. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till payment.

The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilites in active markets or inputs that are directly or indirectly observable in market place. Also refer note 44.

(v) Analysis of risk concentration

The Company's concentrations of risk are managed by client/counterparty and industry sector. The maximum credit exposure to any individual client or counterparty as of March 31, 2023 was INR 20,782.08 Lakhs (As at March 31, 2022: INR 21,140.23 Lakhs).

(iv) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

a. For corporate and small business lending, charges over trade receivables and

b. For retail lending, collateral in the form of first loss guarantee is obtained from the servicing entity or over identified fixed asset of the borrower

Management monitors the market value of collateral and will request for additional collateral in accordance with the underlying agreement. In its normal course of business, the Company does not physically repossess assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the assets under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately

Particulars	As at March 31, 2023					
	On Demand	**Less than 3 months**	**3 to 12 Months**	**1 to 5 years**	**Over 5 years**	**Total**
Finacial Assets						
Cash and cash equivalents	18,398.28	2,003.71	-	-	-	20,401.99
Bank balances other than cash and cash equivalents	2.69	545.64	6,867.39	10,898.48	-	18,314.20
Derivative financial instruments	-	-	-	6,104.84	-	6,104.84
Trade receivables	-	1,890.98	-	-	-	1,890.98
Loans	-	2,14,777.58	3,56,780.10	2,25,343.04	14,097.81	8,10,998.53
Investments	-	15,585.72	51,076.29	1,15,096.98	5,890.80	1,87,649.79
Other financial assets	-	2,762.78	14.77	252.58	105.51	3,135.64
Total undiscounted financial assets*	**18,400.97**	**2,37,566.41**	**4,14,738.55**	**3,57,695.92**	**20,094.12**	**10,48,495.97**
Financial Liabilities						
Derivative financial instruments	-	-	-	227.59	-	227.59
Trade payables	-	-	-	-	-	-
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	10,642.39	-	-	-	10,642.39
Debt securities	-	17,582.58	39,828.75	85,668.28	-	1,43,079.61
Borrowings (Other than debt securities)	-	1,02,358.43	1,93,251.19	3,38,957.70	-	6,34,567.32
Subordinated Debt	-	4,000.00	-	-	-	4,000.00
Other financial liabilities	507.88	7,253.76	1,395.14	493.38	35.01	9,685.17
Total undiscounted financial liabilities*	**507.88**	**1,41,837.16**	**2,34,475.08**	**4,25,346.95**	**35.01**	**8,02,202.08**
Net undiscounted financial assets/(liabilities) *	**17,893.09**	**95,729.25**	**1,80,263.47**	**(67,651.03)**	**20,059.11**	**2,46,293.89**
*** Excludes gross settled derivatives not held for trading**						

Particulars	As at March 31, 2022					
	On Demand	**Less than 3 months**	**3 to 12 Months**	**1 to 5 years**	**Over 5 years**	**Total**
Finacial Assets						
Cash and cash equivalents	23,093.94	47,327.36	-	-	-	70,421.30
Bank balances other than cash and cash equivalents	2.69	2,440.58	4,866.03	1,425.14	-	8,734.44
Derivative financial instruments	-	-	41.85	110.00	-	151.85
Trade receivables	-	1,814.50	-	-	-	1,814.50
Loans	-	1,42,464.35	2,65,043.64	1,82,763.03	153.19	5,90,424.21
Investments	-	21,414.64	44,283.39	78,232.77	5,529.21	1,49,460.01
Other financial assets	285.09	6,464.13	6.24	250.41	82.18	7,088.05
Total undiscounted financial assets*	**23,381.72**	**2,21,925.56**	**3,14,241.15**	**2,62,781.35**	**5,764.58**	**8,28,094.36**
Financial Liabilities						
Derivative financial instruments	-	-	17.33	626.49	-	643.82
Trade payables						
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	5,405.12	-	-	-	5,405.12
Debt securities	-	36,679.04	42,088.93	72,240.96	-	1,51,008.93
Borrowings (Other than debt securities)	1,427.86	77,000.05	1,63,033.38	2,71,686.93	-	5,13,148.22
Subordinated Debt	-	102.22	307.78	4,099.97		4,509.97
Other financial liabilities	1,944.56	2,457.48	348.29	751.46	1,212.70	6,714.49
Total undiscounted financial liabilities*	**3,372.42**	**1,21,643.91**	**2,05,795.71**	**3,49,405.81**	**1,212.70**	**6,81,430.55**
Net undiscounted financial assets/(liabilities) *	**20,009.30**	**1,00,281.65**	**1,08,445.44**	**(86,624.46)**	**4,551.88**	**1,46,663.81**
*** Excludes gross settled derivatives not held for trading**						

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

36 Financial risk management objectives and policies (continued)

(vii) Price risk

The company does not have exposure to security price risk.

		As at March 31, 2023	As at March 31, 2022
37	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	28,300.00	800.00
	Undrawn committed sanctions to borrowers	13,733.83	40,569.55
38	**Contingent liabilities**		
	Claims against the Company not acknowledged as debt		
	- Income tax related matters	428.53	428.53
	Financial Guarantees outstanding	16,388.20	23,716.43

i. Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 18A.
ii. Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed in above note.

Matters wherein management is confident of suceeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims in different stages of process

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

Under Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information and records available with management and to the extent of confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year is furnished as under. The disclosure provided below are based on the information and records maintained by the management and have been relied upon by the auditor.

	Particulars	As at March 31, 2023	As at March 31, 2022
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.	-	-

40 Retirement Benefit Plan

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 473.26 lakhs (March 31, 2022: INR 348.08 lakhs).

Defined benefit plans

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.

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

A. Change in present value of obligations	**As at March 31, 2023**	**As at March 31, 2022**
Present value of obligations at the beginning of the year	697.64	450.68
Current service cost	128.60	91.34
Interest cost	38.46	26.67
Benefits paid	(154.65)	(42.48)
Actuarial (gain) / loss recognised in the other comprehensive income		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	(98.72)	44.14
-Experience adjustment	(58.11)	127.29
Present value of obligations at the end of the year	**553.22**	**697.64**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (loss)	-	-
Employer contributions	154.65	42.48
Benefits paid	(154.65)	(42.48)
Fair value of plan assets at the end of the year	**-**	**-**
C. Actual Return on plan assets		
Expected return on plan assets	-	-
Actuarial gains/ (loss) on plan assets	-	-
Actual return on plan assets	**-**	**-**
D. Reconciliation of present value of the obligation and the fair value of the plan assets		
Change in projected benefit obligation		
Present value of obligations at the end of the year	553.22	697.64
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**553.22**	**697.64**
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	122.83	122.72
Non-current	430.39	574.92
	553.22	**697.64**

	As at March 31, 2023	**As at March 31, 2022**
E. Expense recognised in statement of profit and loss		
Current service cost	128.60	91.34
Interest on obligation	38.46	26.67
Transfer of employee cost to subsidiary (on account of transfer of employee)	9.38	-
Total included in statement of profit and loss and other comprehensive income	**176.44**	**118.01**
F. Remeasurements recognized in other comprehensive income		
Actuarial (gain) loss on defined benefit obligation	(156.83)	171.43
Transfer of employee cost to subsidiary (on account of transfer of employee)	36.51	-
Total	**(120.32)**	**171.43**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

40 Employee benefits (continued)

	As at March 31, 2023	As at March 31, 2022
F. Assumptions at balance sheet date		
Discount rate	7.14%	6.20%
Salary escalation	8.00%	10.00%
Attrition rate	23.00%	20.00%

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 the estimated term of the obligation.

G. 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:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	532.78	575.29	666.47	731.81
Future salary growth (1% movement)	577.40	530.41	733.28	664.45
Attrition rate (1% movement)	549.48	557.07	689.89	705.92

Additional disclosures required under Ind AS 19

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Average duration of defined benefit obligation (in years)	4.60	5.40
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	107.46	104.11
Year 2	103.46	111.36
Year 3	81.70	96.31
Year 4	81.32	87.62
Year 5	80.32	117.64
Next 5 years	201.82	256.53
Exected benefit payments for the next annual reporting year	107.46	104.11

41 Share Based Payaments

Employee Stock Option Plan 2016 (ESOP) has been approved by the Board at its meeting held on October 7, 2016 and by the members in the Extra Ordinary General Meeting held on October 7, 2016.

41.1 Northern Arc Capital Employee Stock Option Plan 2016 – (“Scheme 1”) formerly IFMR Capital Employee Stock Option Plan 2016 – (“Scheme 1”)

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries.

The options were issued on March 01, 2017 and will be exercised at INR 10. The options are vested over a period of 4 years in 40:20:20:20 proportion

Northern Arc Capital Employee Stock Option Plan 2016 – (“Scheme 2”) formerly IFMR Capital Employee Stock Option Plan 2016 – ("Plan" or "ESOP") (“Scheme 2”)

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries.

The options were issued in ten tranches. The exercise price ranging between INR 110 to INR 275. The options are vested equally over a period of 5 years.

Northern Arc Capital Employee Stock Option Scheme 2016 – “Scheme– III” (“Scheme 3”)

The Northern Arc Capital Employee Stock Option Scheme 2016 is applicable to all employees including employees of subsidiaries.

The options were issued in three tranches. The exercise price ranging between INR 181 to INR 275. The options are vested over a period of 3 years in 30:30:40 proportion

41.2 Options outstanding under Scheme 1, Scheme 2 and Scheme 3

Particulars	As at March 31, 2023			As at March 31, 2022		
Plan	**Scheme 1**	**Scheme 2**	**Scheme 3**	**Scheme 1**	**Scheme 2**	**Scheme 3**
Grant date	**Various**	**Various**	**Various**	**Various**	**Various**	**Various**
Number of options	8,000	23,78,000	8,99,984	23,000	32,26,950	12,19,363
Exercise price in INR	10	110 to 275	181 to 275	10	110 to 275	181 to 275
Vesting period	1 to 4 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 5 years	1 to 3 years
Option Price	113.65	31.85 to 121.09	65.57 to 92.33	113.65	31.85 to 121.09	65.57 to 92.33
Weighted average exercise price in INR	10.00	163.21	203.79	10.00	161.37	207.15
Weighted average remaining contractual life (in years)	-	0.74	0.27	-	1.63	1.02
Vesting condition	Time based vesting					

41.3 Reconciliation of outstanding options

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

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Weighted average exercise price per option	**Number of options**	**Weighted average exercise price per option**	**Number of options**
Outstanding at beginning of year	173.08	44,69,313	131.43	50,34,654
Add: Granted during the year	-	-	250.69	13,47,500
Less: Forfeited during the year	176.13	10,47,179	197.35	9,26,848
Less: Exercised during the year and allotted	112.20	1,23,750	114.56	9,85,993
Less: Exercised during the year but not allotted	181.13	12,400		
Outstanding as at end of year	**173.95**	**32,85,984**	**173.08**	**44,69,313**
Vested and exercisable as at end of year	**158.67**	**30,26,466**	**143.53**	**22,19,587**
Amount expensed of in Statement of Profit and Loss (in Rs. Lakhs)		**148.75**		**294.94**

41.4 Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black-Scholes model. The shares of Company are not listed on any stock exchange. Accordingly, the Company had considered the volatility of the Company's stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Company are as follows:

	As at March 31, 2023	**As at March 31, 2022**
Dividend yield	NA	0.00%
Historical Volatility Estimate	NA	22.05%
Risk free interest rate	NA	7.24%
Expected life of the option (in years)	NA	4.00

42 Related party disclosures

Related party relationships and transactions:

Nature of Relationship	Name of Related Party
(i) Subsidiaries	Northern Arc Investment Adviser Services Private Limited Northern Arc Investment Managers Private Limited Northern Arc Foundation IFMR Fimpact Long term credit fund Pragathi Finserv Private Limited Northern Arc Capital Employee Welfare Trust Northern Arc Securities Private Limited (incorporated w.e.f February 23, 2023)
(ii) Associate	Finreach Solutions Private Limited Northern Arc Emerging Corporates Bond Trust (incorporated w.e.f April 4, 2022)
(ii) Key Managerial Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director & CEO (Director w.e.f 14 February 2022; Managing Director & CEO w.e.f April 1, 2022) Ms. Kshama Fernandes, Chief Executive Officer and Managing Director (upto March 31, 2022) Ms. Bama Balakrishnan Executive Director (w.e.f February 14, 2022) Mr. Atul Tibrewal, Chief Financial Officer (w.e.f May 18, 2021) Mrs. Srividhya, Company Secretary Mr. P S Jayakumar, Independent Director
(iii) Director and relative of Key Management Personnel / Director	Mr. Ashutosh Pednekar Mr. Michael Jude Fernandes Mr. Samir Shah (upto December 28, 2022) Mr. P S Jayakumar Mr. Arunkumar Thiagarajan Ms. Kshama Fernandes Mr. Amit Mehta (upto May 2, 2022) Ms. Anuradha Rao Mr. Vijay Nallan Chakravarthi Mr. T.S. Anantharaman (w.e.f. February 9, 2023)

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

A. Transactions during the Year :

	Year ended March 31, 2023	Year ended March 31, 2022
Northern Arc Investment Managers Private Limited		
Fee Income	260.97	129.27
Reimbursement of income	204.72	152.75
Interest income	89.06	213.77
Loans given	2,745.37	7,573.48
Loans repaid	3,931.69	8,322.00
Transfer of fixed asset	-	10.53
Reimbursement of expenses on account of transfer of employee	45.91	-
Northern Arc Investment Adviser Services Private Limited		
Reimbursement of expenses	32.91	-
ESOP transferred	-	0.60
Pragati Finserv Private Limited		
Interest income	-	16.38
Loans given	-	305.00
Loans repaid	-	305.00
Investment in Equity Shares	-	2,253.40
Transfer of assembled work force	236.63	-
Servicer fee	4,532.27	-
Reimbursement of income	44.97	13.69
Northern Arc Foundation		
Contribution to CSR	350.52	165.33
IFMR Fimpact Long Term Credit Fund		
Reimbursment of expenses	336.47	0.06
Transfer of surplus	1,050.81	1,175.73
Northern Arc Emerging Corporates Bond Trust		
Investments in Alternate Investment Funds	2,500.00	-
Transfer of surplus	70.60	-
Reimbursement of expenses	3.52	-
Finreach Solutions Private Limited		
Investments	394.40	-
Guarantee Management Service Fee	11.21	
Fee Income	37.00	-
Ms. Kshama Fernandes		
Remuneration and other benefits *	-	240.09
Commission	70.85	-
Sitting fees	8.72	-
Share based payment	2.85	18.75
Equity share capital	-	24.72
Share premium	-	336.25
Ms. Bama Balakrishnan		
Remuneration and other benefits *	251.32	24.66
Share based payment	2.48	14.00
Equity share capital	-	7.30
Share premium	-	91.42
Mr. P S Jayakumar		
Commission	84.47	32.70
Sitting Fees	11.45	15.50
Mrs. Srividhya		
Remuneration and other benefits *	52.44	41.39
Share based payments	2.02	2.56
Mr. Atul Tibrewal		
Remuneration and other benefits *	173.27	146.70
Share based payments	39.40	55.23
Mr. Ashutosh Pednekar		
Sitting Fees	8.72	13.00
Ms. Anuradha Rao		
Sitting Fees	13.08	17.50
Mr. Arunkumar Thiagarajan		
Sitting Fees	8.18	-
Mr. Ashish Mehrotra		
Remuneration and other benefits *	400.00	28.97
Share based payments	88.20	98.11

* Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation. Amount excludes transfer from Share Based payment reserve to securities Premium on exercise of employee stock options.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

42 Related party disclosures (continued)

B. Balances as at year end:

	As at March 31, 2023	As at March 31, 2022
Northern Arc Investment Adviser Services Private Limited		
Equity share capital	127.80	127.80
ESOP Receivable	24.96	25.00
Advances	11.94	31.00
Trade payable	32.91	-
Northern Arc Investment Managers Private Limited		
Equity share capital	361.00	361.00
ESOP Receivable	167.82	159.13
Loans	169.43	1,389.88
Advances	324.61	13.66
Trade payable	220.14	-
Payable on account of transfer of employee	45.91	
Northern Arc Foundation		
Equity share capital	1.00	1.00
Advances	20.87	-
Pragathi Finserv Private Limited		
Equity share capital	2,253.40	2,253.40
Other advances	588.87	-
Servicer fee payable	667.56	-
Finreach Solutions Private Limited		
Investments	394.40	-
Trade Receivables	37.00	-
Trade Payables	11.21	-
Northern Arc Securities Private Limited		
Equity share capital	100.00	-
Advances	8.83	-
IFMR Fimpact Long Term Credit Fund		
Investments in Alternate Investment Funds	8,342.95	10,852
Other receivables	200.45	0.09
IFMR Fimpact Long Term Credit Fund		
Investments in Alternate Investment Funds	2,558.99	-
Ms. Kshama Fernandes		
Provision for share based payment	217.67	214.82
Ms. Bama Balakrishnan		
Amount payable		
Employee stock option (in units)	-	-
Ms. Bama Balakrishnan		
Provision for share based payment	154.85	187.72
Mr. Ashish Mehrotra		
Provision for share based payment	186.31	98.11
Mrs. Srividhya		
Provision for share based payment	20.28	18.26
Mr. Atul Tibrewal		
Provision for share based payment	94.63	55.23

43 The details of the investments held by the Company in the Alternative Investment Funds managed by the Company's wholly owned subsidiary, Northern Arc Investment Managers Private Limited, as disclosed in the respective standalone financial statements (aggregate amounts) are as follows:

Fund	March 31, 2023		March 31, 2022	
	Purchases	Redemption *	Purchases	Redemption *
IFMR Fimpact Long Term Multi Asset Fund	-	5,491.53	-	-
IFMR Fimpact Long Term Credit Fund	-	2,186.40	-	-
IFMR Finance for Freedom Fund III	-	-	-	288.51
IFMR Fimpact Medium Term Opportunities Fund	-	1,968.35	-	3,610.76
IFMR Fimpact Income Builder Fund Fund	-	1,829.58	-	-
Northern Arc Money Market Alpha Trust Fund	11,58,966.51	75,66,483.70	7,085.05	5,000.00
Northern Arc India Impact Fund	2,763.78	-	3,800.00	-
Northern Arc Income Builder (Series II) Fund	84.20	84.20	5,422.13	2,758.13
Northern Arc Emerging corporates Bond Fund	2,500.00	-	-	-

* represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended March 31, 2023	Year ended March 31, 2022
IFMR Fimpact Long Term Multi Asset Fund	94.25	574.67
IFMR Fimpact Long Term Credit Fund	1,050.81	1,330.51
IFMR Fimpact Medium Term Opportunities Fund	378.02	532.88
IFMR Fimpact Income Builder Fund Fund	339.49	605.42
Northern Arc Money Market Alpha Trust Fund	87.09	515.37
Northern Arc India Impact Fund	1,059.19	56.62
Northern Arc Income Builder (Series II) Fund	471.63	22.64
Northern Arc Emerging corporates Bond Fund	70.59	-

Outstanding balances (Investment) at carrying value

Fund	As at March 31, 2023		As at March 31, 2022	
	Units	Carrying value	Units	Carrying value
IFMR Fimpact Long Term Multi Asset Fund	-	34.38	5,491.53	4,590.51
IFMR Fimpact Long Term Credit Fund	7,769.17	8,342.95	9,955.56	10,852.14
IFMR Fimpact Medium Term Opportunities Fund	-	-	1,968.35	2,228.09
IFMR Fimpact Income Builder Fund Fund	-	-	1,829.63	2,280.29
Northern Arc Money Market Alpha Trust Fund	1,06,894.37	109.07	65,14,411.56	6,693.51
Northern Arc India Impact Fund	6,317.09	7,246.96	3,553.32	3,892.84
Northern Arc Income Builder (Series II) Fund	2,681.36	4,120.85	2,681.36	3,446.59
Northern Arc Emerging corporates Bond Fund	2,500.00	2,558.99	-	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

44 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2023							
Type of hedge risks	**Notional Amount**	**Carrying amount of hedging instrument**		**Maturity Date**	**Changes in fair value of hedging instrument**	**Change in the value of hedged item as the basis for recognising hedge effectiveness**	**Line item in Balance Sheet**
Cash flow hedge		**Assets**	**Liabilities**				
Cross currency swaps	1,05,534.25	5,879.27	149.31	November 15, 2025 to December 15,2026	6,246.45	(6,246.45)	Borrowings (other than debt securities)
Overnight Indexed swap	59,325.00	225.57	78.28	December 15, 2026 to September 21, 2027	147.29	(147.29)	- Debt securities - Borrowings (other than debt securities)

As at March 31, 2022							
Type of hedge risks	**Notional Amount**	**Carrying amount of hedging instrument**		**Maturity Date**	**Changes in fair value of hedging instrument**	**Change in the value of hedged item as the basis for recognising hedge effectiveness**	**Line item in Balance Sheet**
Cash flow hedge		**Assets**	**Liabilities**				
Cross currency swaps	80,709.00	110.00	626.49	November 15, 2025 to September 15,2026	382.02	(382.02)	Borrowings (other than debt securities)
Forward contract	25,000.00	41.85	17.33	July 18, 2022 to August 23, 2022:	24.52	(24.52)	

b) Disclosure of effects of hedge accounting on financial performance:

As at March 31, 2023				
Type of hedge	**Change in value of the hedging instrument recognised in other comprehensive income**	**Hedge ineffectiveness recognised in statement of profit and loss**	**Amount reclassified from cash flow hedge reserve to statement of profit and loss**	**Line item affected in statement of profit and loss because of the reclassification**
Cash flow hedge				
Cross currency swaps	6,246.45	-	-	NA
Overnight Indexed swap	147.29	-	-	

As at March 31, 2022				
Type of hedge	**Change in value of the hedging instrument recognised in other comprehensive income**	**Hedge ineffectiveness recognised in statement of profit and loss**	**Amount reclassified from cash flow hedge reserve to statement of profit and loss**	**Line item affected in statement of profit and loss because of the reclassification**
Cash flow hedge				
Cross currency swaps	382.02	-	-	NA
Forward contract	24.52	-		

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

45 Segment reporting

Operating segments

The Company's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or investments 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.

46 Balance sheet disclosure as required under Master Direction - Non-banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

The disclosures in note from 46A to 78 are made pursuant to Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended), to the extent applicable to the Company.

46A Gold loan portfolio

The Company has not provided loan against security of gold during the year ended March 31, 2023 and March 31, 2022.

47 Capital adequacy ratio

The Company's capital adequacy ratio, calculated in accordance with the Reserve Bank of India guidelines, is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Tier I Capital	1,81,902.83	1,62,630.79
Tier II Capital	5,620.28	5,182.95
Total Capital	**1,87,523.12**	**1,67,813.74**
Total Risk Assets	9,02,860.91	7,36,418.31
Capital Ratios		
Tier I Capital as a percentage of Total Risk Assets (%)	20.15%	22.08%
Tier II Capital as a percentage of Total Risk Assets (%)	0.62%	0.71%
Total Capital (%)	**20.77%**	**22.79%**
Amount of subordinated debt raised as Tier-II capital	-	800.00
Amount raised by issue of Perpetual Debt Instruments	-	-

48 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Value of investment		
Gross value of investments		
- In India	1,69,666.50	1,63,934.08
- Outside India	-	-
Provision for Depreciation		
- In India	1.21	-
- Outside India	-	-
Net value investments		
- In India	1,69,665.29	1,63,934.08
- Outside India	-	-
Movement of provisions held towards investments		
Opening balance	**-**	**4,875.00**
Add: Provisions made during the year	1.21	-
Less: Write off/ write back/ reversal of provision during the year	-	(4,875.00)
Closing balance	**1.21**	**-**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

49 Derivatives

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

S No	Particulars	As at March 31, 2023	As at March 31, 2022
i)	The notional principal of swap agreements / forward cover / Overnight Indexed swap	1,64,859.25	1,05,709.00
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
iii)	Collateral required by the Company upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	NA	NA
v)	The fair value of the swap book (Asset / (Liability))	5,729.96	(491.97)

b) Exchange Traded Interest Rate (IR) Derivatives

The Company has not entered into any exchange traded derivative in the current year and in the previous year.

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 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 over the life of the underlying instrument, irrespective of profit or loss. 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 are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures

S No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount) - For hedging	1,05,534.25	59,325.00	1,05,709.00	-
ii)	Marked to Market Positions (a) Asset [+] Estimated gain	5,879.27	225.57	151.85	-
	(b) Liability [-] Estimated loss	(149.31)	(78.28)	(643.82)	
iii)	Credit exposure	1,05,534.25	59,325.00	1,05,709.00	-
iv)	Unhedged exposures	-	-	-	-

* Cross currency swap, Forward Contracts and Overnight Indexed Swap

50 Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities:

Particulars	1 - 7 Days	8 - 14 days	15 - 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	5,329.11	1,465.72	26,164.95	32,452.44	34,537.09	64,735.17	1,01,038.61	2,71,947.52	43,354.32	-	**5,81,024.93**
	(10,484.68)	(1,324.67)	(10,102.32)	(29,784.97)	(19,311.56)	(76,658.29)	(66,074.14)	(2,09,294.46)	(40,198.92)	-	**(4,63,234.01)**
Market Borrowings	-	416.67	3,662.81	3,465.69	11,621.70	18,340.18	12,991.43	56,861.43	15,071.65	-	**1,22,431.56**
	(3,690.21)	(3,416.67)	(750.00)	(7,250.00)	(21,978.57)	(19,416.67)	(16,759.76)	(50,115.42)	(12,025.71)	-	**(1,35,403.01)**
Assets											
Advances	36,221.02	4,983.66	21,106.44	64,225.64	62,117.34	1,25,817.44	1,80,054.53	1,86,285.09	7,913.40	305.44	**6,89,030.00**
	(21,427.76)	(164.94)	(32,527.00)	(39,535.46)	(36,395.25)	(97,399.68)	(1,38,469.00)	(1,59,214.26)	(4,009.66)	(145.72)	**(5,29,288.73)**
Investments	3,265.98	321.43	3,202.49	3,291.44	5,937.47	16,530.93	26,488.32	80,350.41	27,252.76	3,024.06	**1,69,665.29**
	(431.10)	-	(4,172.08)	(13,900.59)	(9,258.55)	(15,095.92)	(25,957.57)	(49,083.77)	(15,734.69)	(26,256.10)	**(1,59,890.37)**

51 Disclosures in respect of fraud as per the Master Direction DNBS. PPD.01/66.15.001/2016-17,dated September 29, 2016

Particualrs	Less than INR 1 Lakhs		More than INR 1 Lakhs and less than INR 25 Lakhs		Above 25 Lakhs		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	-	-	-	-	-	-	-	-
Outsiders	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Type of fraud:								
Cash Mishandeling	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

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52 Public disclosure on Liquidity Risk

Particulars	No. of Significant counterparties	Amount (in Lakhs)	% of Total Liability
(i) Funding concentration based on significant counterparty (borrowings)	25	6,09,690.06	83.78%

Particulars	Amount (in Lakhs)	% of Total Deposits
(ii) Top 20 large deposits (amount in Rs. Lakhs and % of the deposits)	NA	NA

Particulars	Amount (in Lakhs)	% of Total Borrowings
(iii) Top 10 borrowings (amount in Rs. Lakhs and % of the total borrowings)	2,33,258.92	32.05%

Name of Instrument/project	Amount (in Lakhs)	% of Total Liabilities
(iv) Funding Concentration based on significant instrument/product		
Term Loan from Banks	4,51,009.06	61.97%
Term Loan from Others	18,493.68	2.54%
ECBs	1,11,522.19	15.32%
Commercial Paper	4,445.96	0.61%
Debentures	1,17,985.59	16.21%

Name of Instrument/project	Percentage
(v) Stock Ratios	
Commercial papers as a % of total public funds	0.62%
Commercial papers as a % of total liabilities	0.61%
Commercial papers as a % of total asset	0.48%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA
Non-convertible debentures (original maturity of less than one year) as a % of total asset	NA
Other short term liabilities as a % of total public funds	2.80%
Other short term liabilities as a % of total liabilities	2.74%
Other short term liabilities as a % of total asset	2.17%

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

53 Exposure to Real estate sector

Particulars	As at March 31, 2023	As at March 31, 2022
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)	10,047.49	96.00
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)	1,670.11	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential	-	-
b) Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total	**11,717.60**	**96.00**

54 Exposure to capital market

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPO's/ESOP's), convertible bonds, convertible debentures and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security ;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds ' does not fully cover the advances ;	2,332.64	2,641.88
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers ;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources ;	-	-
(vii) Bridge loans to companies against expected equity flows / issues ;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	22,304.13	-
(iii) Category III	109.07	-
Total	**24,745.84**	**2,641.88**

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

55 Details of non- performing financial assets purchases / sold

Details of loans transferred/ acquired during the year ended March 31, 2023 under Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below

a)Details of loans not in default transferred / acquired through assignment:

Particulars	Loan Participation	Transferred	Acquired	
			Retail	Non Retail
Aggregate amount of loans transferred/ acquired through assignment	833.41	38,537.99	12,070.44	-
Weighted average maturity (in years)	3.00	1.97	1.99	-
Weighted average holding period (in years)	1.36	0.71	0.62	-
Retention of beneficial economic interest by originator	-	5,540.18	1,341.16	-
Tangible security coverage	-	-	-	-
Rating-wise distribution of related loans	-	-	-	-

56 Details of financing of Parent Company products

Not applicable as the company does not have a Parent Company.

57 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, 2023 and March 31, 2022.

58 Advances against Intangible Securities

The Company has not given any loans against intangible securities such as rights, licenses, authoriteis etc. as collateral securities hence this disclousre is not applicable.

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

Registration / Licence	Authority issuing the registration / license	Registration / Licence reference
Certificate of Registration	Reserve Bank of India	B-07-00430 dated March 8, 2018 (Original certificate dated August 8, 2013)

60 Penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and Other Regulators during the financial year 2022-23. (FY 2021-22 - Nil)

61 Ratings

The Credit Analysis & Research Limited (CARE), India Ratings & Research (IND) and ICRA Limited (ICRA) have assigned ratings for the various facilities availed by the Company, details of which are given below:

Particulars	Rating agency	As at March 31, 2023	As at March 31, 2022
Bank facilities	ICRA	A1+	A+
Non-convertible debentures - long term	ICRA	AA-	A+
Non-convertible debentures - long term	IND	A+	A+
Subordinated debt	ICRA	AA-	A+
Bank facilities	IND	A+	A+
Market linked debentures	ICRA	PP-MLD AA-	PP-MLD A+
Market linked debentures	IND	PP-MLD A+	PP-MLD A+
Commercial paper	CARE	A1+	A1+
Commercial paper	ICRA	A1+	A1+

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62 Provisions and contingencies (Break up of 'provisions and contingencies' shown under the head expenditure)

	As at March 31, 2023	As at March 31, 2022
Loss allowance on financial assets (Impairment on financial instruments) (net off recoveries)	3,894.37	3,684.74
Provision made towards current income taxes	9,487.00	4,718.00

63 Draw down from reserves
The Company has not made any drawdown from existing reserves.

64 Concentration of advances	As at March 31, 2023	As at March 31, 2022
Total advances to twenty largest borrowers	1,74,643.45	1,57,848.74
Percentage of advances to twenty largest borrowers to total advances	25.02%	29.71%

65 Concentration of exposures	As at March 31, 2023	As at March 31, 2022
Total exposure to twenty largest borrowers	2,31,289.13	2,66,384.13
Percentage of exposures to twenty largest borrowers to total exposure	25.76%	34.12%

66 Concentration of NPA Contracts*	As at March 31, 2023	As at March 31, 2022
Total exposure to top four NPA accounts	1,782.71	942.20

** represents stage 3 contracts (net of write offs).*

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

	As at March 31, 2023			As at March 31, 2022		
Sector	Total exposure	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total exposure	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
Agriculture & allied activities	-	-	0.00%	-	-	0.00%
Industry:						
MSME	-	-	0.00%	-	-	0.00%
Corporate borrowers	4,49,143.80	1,778.83	0.40%	2,14,422.74	471.73	0.22%
Services:			0.00%	-	-	0.00%
Auto loans	4,763.63	413.16	8.67%	1,106.12	827.68	74.83%
Affordable Housing Finance	12,399.56	40.00	0.32%	-	-	0.00%
Unsecured personal loans	2,39,153.87	4,478.56	1.87%	86,884.72	377.35	0.43%
Other loans	370.87	0.00	0.00%	41,185.81	1,198.51	2.91%

The above Sector-wise NPA and advances are based on the data available with the Company which has been relied upon by the auditors. NPA contracts represents the Stage 3 contracts (net of write offs).

	68 Movement of Non-Performing Assets (NPA's)	As at March 31, 2023	As at March 31, 2022
(a)	**Net NPAs to net advances (%)**	0.41%	0.18%
	(Net of provision for NPAs)		
(b)	**Movement of gross NPAs**		
	Opening balance	3,501.63	11,727.78
	Additions during the year	3,286.43	-
	Reductions during the year	-	(8,226.15)
	Written off during the year	(85.58)	-
	Closing balance	**6,702.48**	**3,501.63**
(c)	**Movement of net NPAs**		
	Opening balance	1,245.39	4,482.58
	Additions during the year	2,250.78	-
	Reductions during the year	-	(3,237.19)
	Closing balance	**3,496.17**	**1,245.39**
(d)	**Movement of provisions for NPAs (excluding contingent provisions against standard assets)**		
	Opening balance	2,256.24	7,245.20
	Additions during the year	1,035.65	-
	Reductions during the year	-	(4,988.96)
	Written off during the year	(85.58)	-
	Closing balance	**3,206.31**	**2,256.24**

Note : NPA represents financial instrument classified as stage 3 (net of write offs) and the NPA Provision represents the Loss allowance on Stage 3 assets.
During the year ended March 31, 2023, as a result of business combination (refer note 79) the Company has acquired loan portfolio having a outstanding balance of Rs. 29,287.08 Lakhs (acquired at fair value of Rs. 23,218.25 Lakhs) out of which Rs. 5,163.39 Lakhs as at March 31, 2023 were valued at Nil balance. Thereby, such assets are not considered in the note mentioned above.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

68A Movement of provisions held towards off-balance sheet exposure

	As at March 31, 2023	As at March 31, 2022
Opening balance	1,129.44	1,019.24
Add: Provisions made during the year	649.97	110.20
Less: Write off/ write back/ reversal of provision during the year	-	-
Closing balance	**1,779.41**	**1,129.44**

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

69 Overseas assets (for those with joint ventures and subsidiaries abroad)
There are no overseas asset owned by the Company hence this disclosure is not applicable.

70 Off-balance sheet SPVs sponsored
There are no SPVs which are required to be consolidated as per accounting norms hence this disclosure is not applicable.

	As at March 31, 2023	As at March 31, 2022
71 Complaints		

For the year ended 31 March 2023

Grounds of complaints, (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
1. CIBIL related	-	83	-65%	-	-
2. Loans and Advances- Dues and Charges	-	59	51%	-	-
3. Application realted	-	3	100%	-	-
4. Closure & NOC related	-	3	200%	-	-
5. Staff Interaction / Collection related	-	2	-33%	-	-
6. Others	-	8	300%	-	-
Total	**-**	**158.00**	**-44%**	**-**	**-**

For the year ended 31 March 2022

Grounds of complaints, (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
1. CIBIL related	0	235	6.82%	-	-
2. Staff Interaction / Collection related	0	39	-32.76%	-	-
3. Loans and Advances- Dues and Charges	0	0	-100.00%	-	-
4. Closure & NOC related	0	1	0.00%	-	-
5. Moratorium related	0	3	100.00%	-	-
6. Others	0	2	100.00%	-	-
Total	**-**	**280.00**	**-0.71%**	**-**	**-**

72 Disclosure under clause 28 of the Listing Agreement for Debt Securities

Particulars	As at March 31, 2023	As at March 31, 2022
Loans and advances in the nature of loans to subsidiaries	169.43	1,389.88
Loans and advances in the nature of loans to associates	-	-
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, 2013	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

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

The Debentures are secured by way of an exclusive hypothecation of loans, investment in pass through certificates and investment in debentures.

74 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019- 20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

As at March 31, 2023

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) =(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	8,43,384.67	6,287.52	8,37,097.15	3,373.54	2,913.98
	Stage 2	5,273.24	506.84	4,766.40	21.09	485.75
Subtotal for Standard		**8,48,657.91**	**6,794.36**	**8,41,863.55**	**3,394.63**	**3,399.73**
Non Performing Assets (NPA)						
Substandard	Stage 3	6,099.08	2,743.86	3,355.22	607.39	2,136.47
Doubtful - upto 1 year	Stage 3	335.53	200.70	134.83	258.47	(57.77)
1 - 3 years	Stage 3	267.87	256.49	11.38	80.36	176.13
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,702.48**	**3,201.05**	**3,501.43**	**946.22**	**2,254.83**
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)	Stage 1	28,902.03	621.20	28,280.83	-	621.20
	Stage 2	1,220.00	1,158.22	61.78	-	1,158.22
	Stage 3	-	-	-	-	-
Subtotal		**30,122.03**	**1,779.42**	**28,342.61**	**-**	**1,779.42**
Total	**Stage 1**	**8,72,286.70**	**6,908.72**	**8,65,377.98**	**3,373.54**	**3,535.18**
	Stage 2	**6,493.24**	**1,665.06**	**4,828.18**	**21.09**	**1,643.97**
	Stage 3	**6,702.48**	**3,201.05**	**3,501.43**	**946.22**	**2,254.83**
		8,85,482.42	**11,774.83**	**8,73,707.59**	**4,340.85**	**7,433.98**

As at March 31, 2022

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) =(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,72,170.91	4,534.31	6,67,636.60	2,688.68	1,845.63
	Stage 2	8,667.95	481.08	8,186.87	34.67	446.41
Subtotal for Standard		**6,80,838.86**	**5,015.39**	**6,75,823.47**	**2,723.35**	**2,292.04**
Non Performing Assets (NPA)						
Substandard	Stage 3	3,252.56	2,007.17	1,245.39	325.26	1,681.91
Doubtful - upto 1 year	Stage 3	249.07	249.07	0.00	49.81	199.26
1 - 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**3,501.63**	**2,256.24**	**1,245.39**	**375.07**	**1,881.17**
Total	**Stage 1**	**6,72,170.91**	**4,534.31**	**6,67,636.60**	**2,688.68**	**1,845.63**
	Stage 2	**8,667.95**	**481.08**	**8,186.87**	**34.67**	**446.41**
	Stage 3	**3,501.63**	**2,256.24**	**1,245.39**	**375.07**	**1,881.17**
		6,84,340.49	**7,271.63**	**6,77,068.86**	**3,098.42**	**4,173.21**

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, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

75 Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (Pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016):

S.No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		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 paid:**				
	(a) Debentures				
	- Secured (net of unamortised borrowing cost)	1,17,962.08	-	1,11,471.27	-
	- Unsecured (net of unamortised borrowing cost)	23.51	-	23.51	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans (net of unamortised borrowing cost)	5,35,048.48	-	4,16,591.50	-
	(d) Inter-Corporate Loans and Borrowings	-	-	-	-
	(e) Commercial Paper	4,445.96	-	22,864.90	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans (net of unamortised borrowing cost)	45,976.45	-	47,344.59	-
	(Represents Working Capital Demand Loans and Cash Credit from Banks)				
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	-	-	-	-

S.No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Assets side:		
3	**Break-up of Loans and Advances * including Bills Receivables [other than those included in (4) below]:**		
	(a) Secured	4,26,095.92	3,71,776.30
	(b) Unsecured	2,71,836.24	1,56,260.82
	(Excludes loss allowance and includes unamortised fee)		
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	-	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

75 Disclosure Pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016: (continued)

Particulars	As at March 31, 2023	As at March 31, 2022
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	29,147.35	41,015.28
iii. Units of Mutual Funds	-	-
iv. Government Securities	7,258.59	-
v. Others		
a) commercial paper	-	-
II. Unquoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	10,428.34	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	7,532.69	5,009.64
b) units of alternative investment fund	-	15,796.24
c) commercial paper	1,958.13	993.69
Long Term Investments:		
I. Quoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	82,101.32	70,692.21
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	
II. Unquoted:		
i. Shares		
a) Equity	3,237.60	2,743.20
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	5,587.66	9,494.47
b) units of alternative investment fund	22,413.20	18,187.73
c) share warrants	1.62	1.62

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

Category	As at March 31, 2023 (Net of provision for NPA)		As at March 31, 2022 (Net of provision for NPA)	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	169.43	-	1,389.88
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	4,24,805.92	2,70,949.64	3,70,486.31	1,54,153.77
	4,24,805.92	**2,71,119.07**	**3,70,486.31**	**1,55,543.65**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

75 Disclosure Pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016: (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, 2023	Book Value as on March 31, 2023 (Net of provisions)	Market Value / Break up Value or Fair Value or Net Asset Value as on March 31, 2022	Book Value as on March 31, 2022 (Net of provisions)
1. Related Parties				
(a) Subsidiaries	13,745.14	13,745.14	13,595.48	13,595.48
(b) Companies in the same Group	394.40	394.40	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,55,526.96	1,55,526.96	1,50,338.60	1,50,338.60
	1,69,666.50	**1,69,666.50**	**1,63,934.08**	**1,63,934.08**

8 Other Disclosures - Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

8.1 Other Information (Also refer note 80)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i) Gross Non-Performing Assets	-	6,702.48	-	3,501.63
(ii) Net Non-Performing Assets	-	3,496.17	-	1,245.39
(iii) Assets Acquired in Satisfaction of Debt	-	-	-	-

Note : NPA contracts represents the Stage 3 contracts (net of write offs). Also this excludes the impact of the fair value changes on the financial assets.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

76 Pursuant to the RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 as a part of the resolution framework for COVID 19 related stress, eligible loans have been granted resolution in form of restructuring and the disclosure is as follows:

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	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
	(A)	(B)	(C)	(D)	(E)
Personal Loans	3.50	0.47	-	2.88	0.15
Corporate persons	185.44	112.52		69.57	4.34
Of which, MSMEs	185.44	112.52		69.57	4.34
Others	-	-	-	-	-
Total	**188.94**	**112.99**	**-**	**72.45**	**4.49**

The Company, being NBFC, has complied with Ind-AS and its Expected Credit Loss policy duly approved by the Board for the purpose of provision on such restructured accounts.

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77 Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all non-deposit taking NBFCs with asset size more than INR 5,000 crores are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2022, with the minimum LCR to be 60%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. Compliance with LCR is monitored by Asset Liability Management Committee (ALCO) of the Company.

Qualitative information:

Main drivers to the LCR numbers:

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

Composition of HQLA:

The HQLA maintained by the Company comprises Government securities (including Treasury bills) and cash balance maintained in current account. The details are given below.
- For the period April to March 2023, the average HQLA of (Rs. 35976.83 lakhs) comprised of Rs. 3,763.74 lakh in cash, Rs. 5,083.33 lakhs in G Sec Investments and Rs. 27,129.76 lakhs in fixed deposit.

Concentration of funding sources:

The company maintains diversified sources of funding comprising short/long term loans from banks, NCDs, and sub-ordinated, ECBs and CPs. The funding pattern is reviewed regularly by the management

Derivative exposures and potential collateral calls:

As on March 31, 2023, the company has fully hedged interest and principal outflows on the foreign currency ECBs. Hence, derivative exposures are considered NIL.

Currency mismatch in LCR:

There is NIL mismatch to be reported in LCR as on 31 March 2023 since foreign currency ECBs are fully hedged for the corresponding interest and principal components.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile

Nil

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77 Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

Detailed LCR template is presented below according to the format given in RBI circular mentioned above under Appendix I.

	Particulars	**Quarter ended June 30, 2022**		**Quarter ended September 30, 2022**		**Quarter ended December 31, 2022**		**Quarter ended March 31, 2023**	
		Total unweighted value (average)	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)	38,638.74	38,638.74	49,077.20	49,077.20	32,050.03	32,050.03	35,976.83	35,976.83
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	4,625.67	5,319.52	8,391.34	9,650.05	3,452.92	3,970.86	984.08	1,131.69
4	Secured wholesale funding	32,344.65	37,196.35	33,265.80	38,255.67	38,103.25	43,818.73	30,369.69	34,925.14
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	7,659.87	8,808.85	4,465.07	5,134.82	2,712.88	3,119.81	2,241.96	2,578.25
8	**Total Cash Outflows**	**44,630.19**	**51,324.72**	**46,122.20**	**53,040.54**	**44,269.05**	**50,909.40**	**33,595.72**	**38,635.08**
Cash Inflows									
9	Secured lending	86,951.20	65,213.40	87,229.08	65,421.81	79,289.15	59,466.86	83,068.18	62,301.14
10	Inflows from fully performing exposures	-	-	-	-		-	-	-
11	Other cash inflows	35,544.27	26,658.21	52,154.68	39,116.01	32,518.13	24,388.60	50,261.94	37,696.46
12	**Total Cash Inflows**	**1,22,495.47**	**91,871.61**	**1,39,383.76**	**1,04,537.82**	**1,11,807.28**	**83,855.46**	**1,33,330.13**	**99,997.60**
		Total Adjusted Value	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**
13	Total HQLA	NA	38,638.74	NA	49,077.20	NA	32,050.03	NA	35,976.83
14	Total Net Cash Outflows	NA	12,831.18	NA	13,260.13	NA	12,727.35	NA	9,658.77
15	Liquidity Coverage Ratio (%)	NA	301.13%	NA	370.11%	NA	251.82%	NA	372.48%

Notes:

1. The average weighted and unweighted amounts are calculated based on simple average of daily observations. The weightage factor applied to compute weighted average value is constant for all the quarters.
2. Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines.
3. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4. The disclosures above are based on the information and records maintained and compiled by the management and have been relied upon by the auditors.
5. RBI has mandated minimum liquidity coverage ratio (LCR) of 60% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 330% as of March 31, 2023 as against the LCR the rate mandated by RBI.

78 Other RBI disclsoures

a. The Company does not have off-balance sheet SPVs sponsored, which are required to be consolidated as per the accounting norms, during the financial year ended March 31, 2023
b. The Company has incurred commission of INR 84.48 Lakhs and sitting fee of INR 50.15 lakhs during the year ended March 31, 2023 (March 31, 2022: commission - INR 32.70 lakhs; sitting fee - INR 46 lakhs)
c. Details of all material transactions with related parties are disclosed in Note 42.
d. There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.
e. There are no prior period items that have impact on the current year's profit and loss.
f. Intra Group exposure:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Total amount of intra-group exposures	169.43	1,389.88
Total amount of top 20 intra-group exposures	169.43	1,389.88
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.02%	0.26%

79 Business Combination [Acquisitions during the year ended March 31, 2023]

A) Acquisition of S.M.I.L.E Microfinance Limited limted

i) On April 12, 2022 (Acquisition Date), the Company had taken over identified assets and liabilities of S.M.I.L.E Microfinance Limited (S.M.I.L.E), a un-listed company based in India, for a consideration of ₹ 11,162.91 lakhs. It is a microfinancie company serving the underpriviledged in tier II Cities. The decision by the Company to acquire controlling interest in S.M.I.L.E was driven by the long-term business objectives of the Company and is in line with Company's intent to broaden its products and business portfolio with a view to reduce its dependence on existing revenue streams.
ii) The Company has elected to measure the non-controlling interests at the proportionate share of the acquiree's net assets.

B) Assets and Liabilities assumed: The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	**Amount (In Lakhs)**
Assets:	
Financial assets	
Cash and cash equivalents	433.76
Bank balances other than cash and cash equivalents	161.94
Loans	23,218.25
Loans given to staff	11.01
Other financial assets	107.01
Non-financial assets	
Property, plant and equipment	85.28
Right of use	8.37
Other intangible assets	30.11
Other non-financial assets	150.84
Total Assets (A)	**24,206.57**
Liabilities:	
Financial liabilities:	
Borrowings	14,722.22
Trade payables	28.80
Lease liabilities	9.12
Other financial liabilities	14.50
Non-financial liabilities	
Provisions (including employee benefits)	494.97
Other non financial liabilities	95.83
Total Liabilities (B)	**15,365.44**
Net assets taken over (C=A-B)	**8,841.13**
Purchase consideration (F)	11,162.91
Goodwill on acquisition (F-E)	**2,321.78**

Other Matters

i The fair value of the Loans amounts to INR 23,218.25 lakhs. The gross amount of loans is INR 29,287.93 Lakhs. However, none of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.
The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:
•An assumed discount rate of 23.88%
•There is no terminal value since the entire loan is estimated to end before three years.

ii The entire purchase consideration was paid through cash. There is no contingent consideration to be paid as per the definite agreements and transactions has to be recognised separately from acquisition of assets and assumption of liabilities.

iii The goodwill of INR 2,321.78lacs comprises the value of expected synergies arising from the acquisition and Intangibles assets recognised in accordance with Ind AS 38 (ie, Technical know-how, Non Compete, Order book etc). None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, the business contribution on revenue and Profit/ (Loss) before tax from continuing operations of the Company is as follows:

Particulars	**Amount (In Lakhs)**
Revenue	9,910.98
Profit/ (Loss) before tax from continuing operations	5,182.73

iv Transaction costs of ₹ 22.57 Lakhs have been expensed and are included in other expenses.
v The deferred tax liability mainly comprises the tax effect of the fair value of tangible and intangible assets due to the acquisitions.
vi If the combination had taken place at the beginning of the year ended 31st March 2023, the contribution to Compeny's revenue from operations and profit before tax would have been as follows

Particulars	**Amount (In Lakhs)**
Revenue	9,910.98
Profit / (Loss) before tax from continuing Operation	5,182.73

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80 Analytical ratios / disclosures required under Regulation 52 / 54 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Ref	As at March 31, 2023	As at March 31, 2022	Reason for variance
Debt-equity ratio	1.1	3.65	3.49	
Total debts to total assets	1.2	0.76	0.76	
Net worth	1.3	1,92,715.09	1,70,991.44	
Capital redemption reserve (Amount in lakhs)		2,660.00	2,660.00	
Gross Non-Performing Assets (GNPA) Ratio	1.4	0.76%	0.51%	The increase is in line with the increase in the retail portfolio of the company during the year
Net Non-Performing Assets (NNPA) Ratio	1.5	0.36%	0.18%	
Capital adequacy ratio (CRAR)	1.6	20.77%	22.79%	
Asset cover over listed non-convertible debentures	1.7	1.14	1.09	
Net profit margin (%)	1.8	17.05%	15.61%	

1.1 Debt-equity ratio is (Debt Securities+Borrowings (Other than debt securities)) / net worth i.e. Equity share capital + Other equity
1.2 Total debts to total assets is Debt Securities and Borrowings (other than debt securities) / Total Assets
1.3 Net Worth is equal to Equity share capital + Other equity
1.4 GNPA Ratio is Gross Stage 3 (loans+investments) / Gross loans and investments
1.5 NNPA Ratio is (Gross Stage 3 term loans - Impairment Loss allowance for Stage 3 term loans /(Gross term loans- Impairment allowance for Stage 3 term loans)
1.6 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.
1.7 Asset cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the term loans provided as security.
1.8 Net profit margin is Total comprehensive income for the period, net of income tax / Total Income

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), capital redemption reserve/debenture redemption reserve, current ratio, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.

81 Other Statutory Information

A Proper books of account as required by law have been kept by the company. Back-up of the books of account and other books and papers maintained in electronic mode on servers physically located in India, except in case of books of accounts maintained in electronic mode with respect to certain application maintained by third parties. In respect of such application, the backups are taken on a periodic basis and maintained outside India. Subsequent to the year end, the Company is taking steps to ensure backups for such applications maintained by third party are taken on a daily basis in a server physically located in India

B Stage wise Overdue (DPD) based Loan disclosure

Particulars	As at March 31, 2023				
	Count	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross amount					
Accounts with No Overdues	9,85,324	6,78,814.11	2,507.41	443.32	6,81,764.84
Accounts with Overdues	1,86,826	7,615.40	2,750.93	5,867.60	16,233.93
Total	**11,72,150**	**6,86,429.51**	**5,258.34**	**6,310.92**	**6,97,998.77**

Particulars	As at March 31, 2022				
	Count	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross amount					
Accounts with No Overdues	1,60,842	3,80,550.82	749.48	9.38	3,81,309.68
Accounts with Overdues	56,911	54,967.42	78,956.93	5,295.62	1,39,219.97
Total	**2,17,753**	**4,35,518.24**	**79,706.41**	**5,305.00**	**5,20,529.65**

C (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.
(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv)The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) As part of the normal business, the Company invests in Alternate Investment Fund managed by its subsidiary and also lends loan to its subsidiary for onward investment into these AIFs. The AIFs invests in debt instruments issued by various originators based on decision made by the investment committee of the respective funds. These transactions are part of the Company's normal investment activities/ business, which is conducted after exercising proper due diligence including adherence to terms of private placement memorandum of respective AIFs and other guidelines. Other than the nature of transactions described above:
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. 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
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. 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

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

As per our report of even date attached
for **S. R. Batliboi & Associates LLP**
Chartered Accountants
Firm's Registration no.: 101049W/E300004

for and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

per Bharath N S
Partner
Membership No. 210934

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Place : Chennai
Date : May 11, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Northern Arc Capital Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Northern Arc Capital Limited** (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associates comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment loss allowance for financial instruments (loan and investments) based on expected credit loss model – refer notes 3.6, 3.7, 8, 9, 19, 29 and 38 to the consolidated financial statements	
Financial instruments, which include Loans and Investments, represents a significant portion of the total assets of the Company. The Company has loans aggregating Rs. 6,88,860.57 lakhs and investments aggregating Rs. 1,76,273.36 lakhs as at March 31, 2023. As per the expected credit loss model of the Company developed in accordance with the principles set out in Ind-AS 109 on Financial Instruments , the Company is required to estimate the probability of loss / expected loss based on past experience and future considerations. This involves a significant degree of estimation and judgement, including determination of staging of financial assets; estimation of probability of defaults, loss given defaults, exposure at defaults; and forward-looking factors, micro and macro-economic factors, in estimating the expected credit losses. Additionally, regulatory changes on asset classification due to changes pursuant to RBI Circular dated November 12, 2021 read with RBI Circular February 15, 2022, have been collectively considered by the management in the classification / staging of financial assets including additional provision as part of its Expected Credit Loss provision on loans. In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the financial statements, it is considered as a key audit matter.	Our audit procedures included the following: ► Read and assessed the Company's accounting policies for impairment of financial assets considering the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. ► For expected credit loss provision against outstanding exposures classified across various stages, we obtained an understanding of the Company's provisioning methodology (including factors that affect the probability of default, loss given defaults and exposure at default; various forward looking, micro- and macro-economic factors), the underlying assumptions and the sufficiency of the data used by management and tested the same on a sample basis. ► Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation and computation. ► Assessed the criteria for staging of loans based on their past due status as per the requirements of Ind AS 109. Tested a sample of performing loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. ► Performed tests of controls and details on a sample basis in respect of the staging of outstanding exposure, implementation of Company policy. ► Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking, micro and macro-economic factors. ► Tested assumptions used by the management in determining the overlay for macro-economic and other factors. ► Assessed disclosures included in the standalone financial statements in respect of expected credit losses.

Key audit matters	How our audit addressed the key audit matter
<u>Fair valuation of financial assets held at fair value through other comprehensive income (“FVTOCI”) or fair value through profit and loss (“FVTPL”) (collectively “fair value”) – refer notes 3.8, 8, 9, 26 and 37 to the consolidated financial statements</u>	
The Company has classified loans aggregating to Rs. 1,82,829.41 lakhs and investments aggregating to Rs. 1,24,383.45 lakhs as held at fair value through OCI (FVTOCI) and investments aggregating to Rs. 44,361.32 lakhs as held at fair value through profit and loss (FVTPL) in accordance with Ind AS 109. Additionally, the Company is also required to disclose fair value of its financial assets and liabilities held at amortized cost in accordance with Ind AS 107. The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of market data. Given the degree of complexity involved in valuation of financial instruments, relative significance of these financial instruments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	In view of the significance of the matter, we applied the following key audit procedures, among others to obtain sufficient appropriate audit evidence: ► Evaluated and tested the design and operating effectiveness of the Company’s control over the assessment of valuation of investments. ► Involved the internal expert to assess the reasonableness of the valuation methodology and underlying assumptions used by the management to estimate the fair value for sample of investments. ► Assessed the appropriateness of the valuation methodology and challenged the valuation model considered for fair value computation ► Validated the source data and the arithmetical accuracy of the calculation of valuation of investments. ► Assessed the adequacy of disclosure in the standalone financial statements.
<u>Information Technology (IT) systems and controls</u>	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction, hence we identified IT systems and controls as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company: ► The aspects covered in the assessment of IT General Controls comprised: (i) User Access Management; (ii) Program Change Management; (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls in respect of information systems that are important to financial reporting (“in-scope applications”). ► Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting. ► Tested the periodic review of access rights, inspected requests of changes to systems for appropriate approval and authorization. ► Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT dependent manual controls in the system.

Key audit matters	How our audit addressed the key audit matter
	► Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone and Consolidated Financial Statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those Charged with Governance of the respective companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of Rs 5,399.52 lakhs as at March 31, 2023, and total revenues of Rs 4,497.35 lakhs and net cash inflows of Rs 167.1 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 169.40 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associates company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except that the Company does not have server physically located in India for the daily backup of certain books of account and other books and papers maintained in electronic mode on daily basis, as stated in note 50 to the financial statements;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and its associates company, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) Three subsidiary Companies of the Group i.e. Northern Arc Investment Adviser Services Private Limited, Northern Arc Investment Managers Private Limited and Northern Arc Foundation and one associate i.e. Finreach Solutions Private Limited are exempted from the requirement of its auditors' reporting on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls. Further, IFMR FImpact Long Term Credit Fund, Northern Arc Emerging Corporates Bond Fund Trust and Northern Arc Employee Welfare Trust, not being a company, and requirement of its auditors' reporting on adequate internal financial controls with reference to the financial statements is not applicable. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its other subsidiary companies, associate company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. The provision of section 197 is not applicable to subsidiaries and associates;

(h) The adverse remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above; 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

    i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;

    ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 6 and Note 13 to the consolidated financial statements in respect of such items as it relates to the Group and its associates and (b) the Group's share of net profit/loss in respect of its associates;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associates, incorporated in India during the year ended March 31, 2023.

    iv. a) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, other than as disclosed in the note 50 to the consolidated 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 Holding Company or any of such subsidiaries and associates 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 respective Holding Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, other than as disclosed in the note 50 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates 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; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and associates companies, incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associates companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 23210934BGYJMB6617

Place of Signature: Chennai
Date: May 11, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Northern Arc Capital Limited ("the Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate companies incorporated in India, we state that:

(xxi) Adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements are:

S.No	Name	CIN	Holding company/ subsidiary/ associate	Clause number of the CARO report which is qualified or is adverse
1	Northern Arc Capital Limited	U65910TN1989PLC017021	Holding Company	(vii)(a)
2	Pragati Finserv Private Limited	U65990TG2021PTC148992	Subsidiary company	(vii)(a)

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 23210934BGYJMB6617

Place of Signature: Chennai
Date: May 11, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTHERN ARC CAPITAL LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of Northern Arc Capital Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these 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 these 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 these 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 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 these standalone financial statements.

Meaning of Internal Financial Controls with Reference to these 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 control 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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934

UDIN: 23210934BGYJMB6617

Place of Signature: Chennai
Date: May 11, 2023

Northern Arc Capital Limited
Consolidated Balance Sheet as at March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	23,233.95	71,517.38
Bank balances other than cash and cash equivalents	5	19,025.87	8,734.44
Derivative financial instruments	6	6,104.84	151.85
Trade receivables	7	2,861.42	1,918.38
Loans	8	6,88,860.57	5,20,875.53
Investments	9	1,76,273.36	1,76,575.11
Other financial assets	10	5,058.96	6,965.42
		9,21,418.97	**7,86,738.11**
Non-financial assets			
Current tax assets (net)		2,911.60	4,208.70
Deferred tax assets (net)	33	3,517.88	1,369.07
Property, plant and equipment	11.1	381.46	195.33
Right of use asset	11.2	966.70	1,121.79
Intangible assets under development	11.3	98.87	28.44
Other intangible assets	11.4	1,337.09	942.97
Goodwill	11.5	2,407.02	174.63
Investmentes in Associate	49	2,726.64	-
Other non- financial assets	12	1,390.89	2,632.42
		15,738.15	**10,673.35**
Total assets		**9,37,157.12**	**7,97,411.46**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	13	227.59	643.82
Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,961.20	5,581.73
Debt securities	15	1,22,431.55	1,34,359.68
Borrowings (Other than debt securities)	16	5,77,029.86	4,59,942.61
Subordinated liabilities	17	3,995.07	3,993.47
Other financial liabilities	18	11,019.30	6,694.35
		7,25,664.57	**6,11,215.66**
Non-financial liabilities			
Provisions	19	3,335.35	2,245.69
Deferred tax liabilities (net)	33	20.02	72.26
Other non-financial liabilities	20	1,364.13	666.72
		4,719.50	**2,984.67**
EQUITY			
Equity share capital	21	8,903.13	8,890.75
Instruments entirely equity in nature	21	8,264.64	8,264.64
Other equity	22	1,78,374.85	1,56,752.34
Equity attributable to the owners of the Company		**1,95,542.62**	**1,73,907.73**
Non-controlling interest	23	11,230.43	9,303.40
Total equity		**2,06,773.05**	**1,83,211.13**
Total liabilities and equity		**9,37,157.12**	**7,97,411.46**

Significant accounting policies — 2 and 3
The notes referred to above form an integral part of consolidated financial statements
As per our report of even date attached

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner
Membership No. 210934

Place : Chennai
Date : May 11, 2023

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Northern Arc Capital Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations			
Interest income	24	1,14,838.77	78,084.53
Fee and Commission income	25	8,561.60	8,604.54
Net gain on fair value changes	26	5,062.45	4,264.87
Net gain on derecognition of financial instruments		2,034.23	-
Total revenue from operations		**1,30,497.05**	**90,953.94**
Other income	27	622.98	700.53
Total income		**1,31,120.03**	**91,654.47**
Expenses			
Finance costs	28	55,744.89	41,067.24
Fees and commission expense		12,142.03	5,273.22
Impairment on financial instruments	29	3,921.38	3,650.85
Employee benefits expenses	30	14,892.45	9,794.17
Depreciation and amortisation	31	1,204.43	957.44
Other expenses	32	10,905.02	6,072.66
Total expenses		**98,810.20**	**66,815.58**
Share of loss from Associates	49	(187.27)	-
Profit before tax		**32,122.56**	**24,838.89**
Tax expense	33		
Current tax		9,702.26	5,050.20
Deferred tax charge / (benefit)		(1,801.24)	1,594.92
Total Tax expense		**7,901.02**	**6,645.12**
Profit for the year	**(A)**	**24,221.54**	**18,193.77**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit asset/ (liability)		80.67	(195.31)
Income tax relating to items that will not be reclassified to profit or loss		(26.59)	49.17
		54.08	**(146.14)**
Items that will be reclassified to profit or loss			
Fair valuation of Financial Instruments through other comprehensive income (Net)		(900.02)	(1,981.66)
Income tax relating to items that will be reclassified to profit or loss		140.74	346.56
		(759.28)	**(1,635.10)**
Net movement on effective portion of cash flow hedges		(1,010.85)	(2,092.39)
Income tax relating to items that will be reclassified to profit or loss		254.44	526.65
		(756.41)	**(1,565.74)**
Other comprehensive income for the year (net of income taxes)	**(B)**	**(1,461.61)**	**(3,346.98)**
Total comprehensive income for the year (net of income taxes)	**(A+B)**	**22,759.93**	**14,846.79**
Profit for the period attributable to			
Owners of the Company		23,001.06	17,249.97
Non-controlling Interest	23	1,242.30	943.80
Other comprehensive income for the year (net of income taxes)			
Owners of the Company		(1,268.84)	(3,079.97)
Non-controlling Interest	23	(192.77)	(267.01)
Total comprehensive income for the year (net of income taxes)			
Owners of the Company		21,732.23	14,170.00
Non-controlling Interest	23	1,049.53	676.79
Earnings per equity share of INR 10 each	34		
Basic (in rupees)		25.85	19.52
Diluted (in rupees)		17.38	13.09
Significant accounting policies	2 and 3		

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

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

per Bharath N S
Partner
Membership No. 210934

Place : Chennai
Date : May 11, 2023

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Northern Arc Capital Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

A. Equity Share Capital

Equity Share capital of INR 10 each Issued, Subscribed and Fully paid	
Balance as at March 31, 2021	**8,792.15**
Changes in equity share capital during the year (Refer Note 21)	98.60
Balance as at March 31, 2022	**8,890.75**
Changes in equity share capital during the year (Refer Note 21)	12.38
Balance as at March 31, 2023	**8,903.13**

B. Instruments entirely equity in nature

Balance as at March 31, 2021	8,264.64
Changes in compulsorily convertible preference shares during the year	-
Balance as at March 31, 2022	**8,264.64**
Changes in compulsorily convertible preference shares during the year	-
Balance as at March 31, 2023	**8,264.64**

C. Other Equity

	Other equity										
	Reserves and surplus						Other Comprehensive Income (OCI)				
	Statutory Reserve	Capital Redemption Reserve	Capital Reserve	Securities Premium	Share based payment reserve	Retained Earnings	Financial Instruments through OCI	Effective portion of cash flow hedge reserve	Total attributable to Owners of the Company	Total Non-Controling Interest (NCI)	Total
Balance as at April 1, 2022	**13,165.35**	**3,467.00**	**3.57**	**85,510.51**	**2,042.98**	**51,340.90**	**3,170.00**	**(1,947.96)**	**1,56,752.34**	**9,303.40**	**1,66,055.74**
Change in equity for the year ended March 31, 2023											
Change in the ownership interest in subsidiaries/ funds resulting in change of control	-	-	-	-	-	(424.26)	-	-	(424.26)	2,176.69	1,752.43
Premium received on shares issued during the year	-	-	-	168.51	(49.65)	-	-	-	118.86	-	118.86
Transfer to retain earnings	-	-	-	-	(434.51)	434.51	-	-	-	-	-
Distribution to the NCI including Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	(1,299.19)	(1,299.19)
Profit for the year	-	-	-	-	-	23,001.06	-	-	23,001.06	1,242.30	24,243.36
Transfer to statutory reserve	4,507.12	-	-	-	-	(4,507.12)	-	-	-	-	-
Employee compensation expense during the year	-	-	-	-	141.61	-	-	-	141.61	-	141.61
Remeasurement of net defined benefit liability	-	-	-	-	-	54.08	-	-	54.08	-	54.08
Fair valuation of financial instruments (net)	-	-	-	-	-	-	(512.43)	(756.41)	(1,268.84)	(192.77)	(1,461.61)
Balance as at March 31, 2023	**17,672.47**	**3,467.00**	**3.57**	**85,679.02**	**1,700.43**	**69,899.17**	**2,657.57**	**(2,704.37)**	**1,78,374.85**	**11,230.43**	**1,89,605.28**
Balance as at April 1, 2021	**9,890.77**	**3,467.00**	**3.57**	**83,897.43**	**2,297.82**	**37,462.26**	**4,538.09**	**(382.22)**	**1,41,174.72**	**9,060.21**	**1,50,234.93**
Change in equity for the year ended March 31, 2022											
Change in the ownership interest in subsidiaries/ funds resulting in change of control	-	-	-	-	-	49.39	-	-	49.39	-	49.39
Premium received on shares issued during the year	-	-	-	1,613.08	(575.51)	-	-	-	1,037.57	-	1,037.57
Contribution by NCI	-	-	-	-	-	-	-	-	-	547.60	547.60
Distribution to the NCI including Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	(981.21)	(981.21)
Profit for the year	-	-	-	-	-	17,249.97	-	-	17,249.97	943.80	18,193.77
Transfer to statutory reserve	3,274.59	-	-	-	-	(3,274.59)	-	-	-	-	-
Employee compensation expense during the year	-	-	-	-	320.67	-	-	-	320.67	-	320.67
Remeasurement of net defined benefit liability	-	-	-	-	-	(146.14)	-	-	(146.14)	-	(146.14)
Fair valuation of financial instruments (net)	-	-	-	-	-	-	(1,368.09)	(1,565.74)	(2,933.84)	(267.01)	(3,200.85)
Balance as at March 31, 2022	**13,165.35**	**3,467.00**	**3.57**	**85,510.51**	**2,042.98**	**51,340.90**	**3,170.00**	**(1,947.96)**	**1,56,752.34**	**9,303.40**	**1,66,055.74**

Significant accounting policies (Refer note 2 and 3)
The notes form an integral part of consolidated financial statements.
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

per Bharath N S
Partner
Membership No. 210934

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place: Chennai
Date : May 11, 2023

Place : Chennai
Date : May 11, 2023

Northern Arc Capital Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities			
Profit before tax		32,122.56	24,838.89
Adjustments for:			
Depreciation and amortisation		1,351.02	957.44
Write off of intangible assets under development		-	71.36
Mark-to-market gain on derivative contracts		-	(406.54)
Unrealised gain on alternative investment funds designated at fair value through profit or loss		258.72	(708.38)
Interest income on loans, fixed deposits and investments		(1,10,497.72)	(77,994.14)
Gain on mutual funds investments designated at fair value through profit or loss		(776.65)	(420.47)
Profit on sale of investments		(1,680.78)	(169.11)
Impairment on financial instruments (net)		3,892.37	3,650.85
Employee share based payment expenses		148.75	320.67
Profit on sale of plant, property and equipments		(23.87)	-
Gain on account of lease foreclosed		-	(40.97)
Gain on account of lease rental concession received		-	(3.10)
Amortisation of discount on commercial papers		1,037.81	1,333.65
Amortisation of ancillary costs relating to borrowings		-	3,077.50
Interest on income tax refund		(146.16)	-
Net gain on derecognition of financial instrument		(2,050.13)	-
Provision for leave encashment		(127.51)	-
Finance costs		50,121.10	36,656.09
Operating profit before working capital changes		**(26,370.49)**	**(8,836.26)**
Changes in working capital and other changes:			
(Increase) / Decrease in other financial assets		232.84	(6,491.45)
(Increase) in trade receivables		(940.20)	(65.19)
(Increase) in loans		(1,98,579.56)	(1,50,812.33)
(Increase) in other non-financial assets		1,306.77	(2,149.74)
(Increase) / Decrease in other bank balances		(9,792.93)	(1,538.49)
(Increase) / Decrease in Investments		1,424.89	-
Increase in other financial liabilities		374.73	-
(Decrease) / Increase in other non-financial liabilities		1,215.53	-
(Decrease) / Increase in trade payables, other liabilities and provisions		10,960.73	6,286.89
Cash used in operations		**(2,20,167.69)**	**(1,63,606.57)**
Proceeds from de-recognition of financial assets recognised at amortised cost		38,538.00	-
Interest income received on loans, fixed deposits and investments		1,14,877.15	76,463.23
Finance cost paid		(54,542.00)	(39,831.26)
Income tax paid (net)		(8,604.24)	(5,679.73)
Net cash flow used in operating activities	**(A)**	**(1,29,898.78)**	**(1,32,654.33)**
B Cash flows from investing activities			
Purchase of property, plant and equipment		1,066.20	(1,230.04)
Proceeds from disposal of right of use of assets		-	104.18
Purchase of mutual fund investments		(4,52,544.99)	(1,94,300.00)
Proceeds from sale of investments in mutual fund		4,54,704.66	1,93,167.42
Term deposit with scheduled banks		(358.03)	-
Purchase of other investments		(2,31,056.85)	(3,40,343.94)
Proceeds from sale of other investments		2,25,629.62	3,04,105.14
Payment towards acquisition of business		(8,435.91)	-
Payment towards transfer of business to subsidiary		(279.55)	-
Investment in subsidiary		(485.06)	-
Change in the ownership interest in funds		-	49.39
Net cash provided by investing activities	**(B)**	**(11,759.91)**	**(38,447.85)**
C Cash flow from financing activities			
Proceeds from issue of debt securities		87,710.00	76,429.72
Repayment of debt securities		(99,890.78)	(1,07,360.47)
Proceeds from borrowings (other than debt securities)		4,16,298.64	3,25,100.00
Repayment of borrowings (other than debt securities)		(3,08,704.48)	(92,258.76)
Payment of lease liabilities		(515.64)	198.94
Proceeds from issue of equity share capital including securities premium		131.24	1,136.17
Capital Contributions by NCI		-	547.60
Distributions made to Investors including Dividend Distribution Tax		(2,087.48)	(981.21)
Net cash generated from financing activities	**(C)**	**92,941.50**	**2,02,811.99**
Net increase in cash and cash equivalents	**(A+B+C)**	**(48,717.19)**	**31,709.81**
Cash and cash equivalents at the beginning of the year		71,517.38	39,807.57
Additions on account of acquisition (Refer Note 48)		433.76	-
Cash and cash equivalents at the end of the year		**23,233.95**	**71,517.38**

Northern Arc Capital Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs unless otherwise stated)

	Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
	Notes to cash flow statement			
1	**Components of cash and cash equivalents:**	**4**		
	Cash on hand		0.32	-
	Balances with banks			
	- in current accounts		21,229.92	23,659.48
	- in deposit accounts free of lien		2,003.71	47,857.90
			23,233.95	**71,517.38**

2 The above cashflow statement has been prepared under the "indirect method" as set out in the Ind AS-7 on statement of cashflows specified under section 133 of the Companies Act, 2013

3 **Non cash financing and investing activity**

	Particulars	As at March 31, 2023	As at March 31, 2022
a	**Investing Activity**		
	Acquisition of right of use asset	142.72	722.49
	Total	**142.72**	**722.49**

b For disclosures relating to changes in liabilities arising from financing activities, refer Note 36A

Significant accounting policies 2 and 3
The notes referred to above form an integral part of consolidated financial statements.
As per our report of even date attached

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

per Bharath N S
Partner
Membership No. 210934

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Place : Chennai
Date : May 11, 2023

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

1 Reporting entity

Northern Arc Capital Limited ("the Holding Company"), was incorporated on March 9, 1989 and is registered as a non-deposit taking Non-Banking Finance Company (NBFC). The Company has received the Certificate of Registration dated August 8, 2013 in lieu of Certificate of Registration dated June 24, 1999 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). The Company's registered address is No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai TN 600113. The Company was formerly known as IFMR Capital Finance Limited. The Company has obtained a revised certificate of registration from the RBI dated March 8, 2018 for name change.

The Holding Company is principally engaged in lending to provide liquidity and develop access to debt-capital markets for institutions and providing loans for personal, business, education and mortgage purposes to individuals.

The Holding Company has the following subsidiaries:
a) Northern Arc Investment Adviser Services Private Limited which is in the business of facilitating investments and act as advisors to provide financial/ investment advice to both Indian and foreign investors and
b) Northern Arc Investment Managers Private Limited which is carrying on the business of investment company and also to provide portfolio management services to offshore funds and all kinds of Investment Funds.
c) Pragati Finserv Private Limited is incoprorated to carry on the business of Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFIs) and to provide micro finance services to the weaker sections as permitted from time to time by RBI. Pragati Finserv Private Limited is in the process of obtaining certificate of registration from RBI to commence its operations.
d) Northern Arc Foundation incorporated under the provisions of Section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Group.
e) Northern Arc Securities Private Limited engaged in the business of stocks brokers, sub-brokers, dealers, agents, for subscribing to and provide online and offline, through the use of technology, software or otherwise, operate platforms, websites and applications, for the sale and purchase of securities, stock, shares, etc.
f) Northern Arc Capital Employee Welfare Trust was incorporated under the Indian Trust Act 1882 for the purpose of maintaining the ESOP shares allotted to the employees until initial public offering

The company has the following associates:
FinReach Solutions Private Limited engaged in the business of providing a range of services including consultancy and facilitation services to various entities providing credit solutions to non-banking financial companies, microfinance institutions and other lending institutions as lenders of the MSMEs to, inter alia, expand their credit eligibility parameters, portfolio of assets and product offerings, thereby ensuring reliable and steady access to credit to unserved/new-to-credit borrowers.

Northern Arc Capital Limited ('NACL') has floated Alternate Investment Funds ('AIF'), wherein Northern Arc Invesment Managers Private Limited ('IM') and NACL have also invested. NACL evaluated the existence of control on these AIF in accordance with Ind AS 110 (Consolidated Financial Statements) and consolidated the following AIFs in accordance with Ind AS 110.

Name of the AIF	**Nature of interest**	**Years of consolidation**	
IFMR FImpact Long Term Credit Fund	Subsidiary	Year ended March 31, 2023	Year ended March 31, 2022
Northern Arc Emerging corporates Bond Fund	Associate	Year ended March 31, 2023	NA

The Group structure is as follows:

Entity	**Country of Incorporation**	**Nature of Interest**	**% of Shareholding** **As at March 31, 2023**	**As at March 31, 2022**
Northern Arc Capital Limited (NACL) ("Holding Company")	India	Parent Company	Not applicable	Not applicable
Northern Arc Investment Managers Private Limited (NAIM)	India	Wholly owned subsidiary	100%	100%
Northern Arc Investment Adviser Services Private Limited (NAIA)	India	Wholly owned subsidiary	100%	100%
Northern Arc Foundation (NAF)	India	Wholly owned subsidiary	100%	100%
Northern Arc Securities Private Limited	India	Wholly owned subsidiary	100%	Not applicable
Pragati Finserv Private Limited	India	Subsidiary	90.10%	90.10%
Northern Arc Employee Welfare Trust	India	Subsidiary	Not applicable	Not applicable
Finreach Solutions Private Limited	India	Associate	27.18%	Not applicable
IFMR FImpact Long Term Credit Fund	India	Subsidiary	Not applicable	Not applicable
Northern Arc Emerging corporates Bond Fund	India	Associate	Not applicable	Not applicable

Northern Arc Capital Limited, Northern Arc Investment Managers Private Limited, Northern Arc Investment Adviser Services Private Limited, Northern Arc Foundation, Northern Arc Securities Private Limited, Pragati Finserv Private Limited, Northern Arc Employee Welfare Trust, Finreach Solutions Private Limited and the above mentioned AIF are together referred to as "Group".

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial 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, notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

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

These consolidated financial statements were authorised for issue by the Company's Board of Directors on May 11, 2023.

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

2.2 Presentation of financial statements

The consolidated 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) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 and RBI/2020-21/15 DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 dated 24 July 2020 (‘RBI Notification for Implementation of Ind AS’) issued by RBI.

The consolidated financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Group. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity, are presented in the format prescribed under Division III of Schedule III of the Act, 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 Group presents its Consolidated Balance Sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented separately.

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

•The normal course of business
•The event of default
•The event of insolvency or bankruptcy of the company and / or its counterparties.

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and 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 amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those 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. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

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

Classification and measurement of financial assets depends on the results of business model test and the solely payments of principal and interest ('SPPI') test. The Group 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 Group 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 Group’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 the 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.

iii) Effective Interest Rate ('EIR') method

The Group'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 assets

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

The Group'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 Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
b) Development of ECL models, including the various formulas and the choice of inputs.
c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').
d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Provisions and other contingent liabilities

The Holding Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory inspections in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case including commercial/ contractual arrangements and considers such outflows to be probable, the group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

vi) Other assumptions and estimation uncertainties

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

a) Measurement of defined benefit obligations: key actuarial assumptions;
b) Estimated useful life of property, plant and equipment and intangible assets;
c) Recognition of deferred taxes;
d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.

2.6 Basis of Consolidation

i) Subsidiaries
Subsidiaries are entities controlled by the Holding Company. Holding Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Significant accounting policies

3.1 Revenue from contract with customers

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable.

A. Recognition of interest income on loans

Under Ind AS 109, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. 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 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 Group 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, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.
Revenue recognition for different heads of income is as under:

i. Interest income on deposits
Interest income on deposits is recognised on a time proportionate basis using the effective interest rate.

ii. Fees and commission income
Fees and commission income such as guarantee commission, professional fee, service income etc. are recognised on an accrual basis in accordance with term of the contract with customer.

iii. Dividend income
Dividend income (including from FVOCI investments) is recognised when the Group’s right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

iv. Other Income
All items of other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

3.2 Financial instruments - 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 Group 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 Group 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 Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group'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 Group'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).
d) The expected frequency, value and timing of sales are also important aspects of the Group’s assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Sole Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group 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. Bank balances, Loans, Trade receivables and other financial investments that meet the above conditions are measured at amortised cost

ii) Financial assets at fair value through other comprehensive income (FVOCI)
A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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. Subsequent changes in fair value are recognised in the statement of profit and loss.
The Group records investments in alternative investment funds, mutual funds and treasury bills at FVTPL.

iv) Investment in equity instruments
The Group measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

B. Financial liabilities

i) Initial recognition and measurement
All financial liabilities are measured at amortised cost except for financial guarantees, and derivative financial liabilities.

ii) Subsequent measurement
Financial liabilities are carried at amortized cost using the effective interest rate method.

Debt securities and other borrowed funds
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.
The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

Embedded derivatives
An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments

3.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its significant financial assets or liabilities in the year ended March 31, 2023 and March 31, 2022.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes.
If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial instruments other than due to substantial modification

i) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group’s continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to pay.

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 Group uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit loss (12mECL). The 12mECL is 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. When estimating LTECLs for undrawn loan commitments, the Group 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.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments

Based on the above, the Group catagorises its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:
When financial assets are first recognised, the Group recognises an allowance based on 12-months ECL. Stage 1 financial assets includes those financial assets where there is no significant increase in credit risk observed and also includes facilities where credit risk has been improved and the financial asset has been reclassified from stage 2 or stage 3.

Stage 2:
When a financial asset has shown a significant increase in credit risk since initial recognition, the Group records an allowance for the life time ECL. Stage 2 financial assets also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:
Financial assets are considered credit impaired if they are past due for more than 90 days. The Group records an allowance for life time ECL.

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, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

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 Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of financial assets 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. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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 Group 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 the original EIR.

Stage 2:
When a financial asset 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.

Significant increase in credit risk

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12mECLs.
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group 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 a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward looking information.

Stage 3:
For financial assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets
A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:
a. significant financial difficulty of the borrower;
b. a breach of contract such as a default or past due event;
c. the lender of the borrower, for economic or contractual reasons relating to the borrower's financial
d. difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
e. the disappearance of an active market for a security because of financial difficulties; or
f. the purchase of a financial asset at a deep discount that reflects the incurred credit losses.
It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Further, in line with the requirements of Ind-AS 109 read with circular on implementation of Indian Accounting Standards dated March 13, 2020 issued by the Reserve Bank of India, the Holding Company is guided by the definition of default / credit impaired used for regulatory purposes for the purpose of accounting.

Loan commitments

When estimating LTECLs for undrawn loan commitments, the Group 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, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Financial guarantee contracts

The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within Provisions.

C. Financial assets measured at FVOCI

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

D. Forward looking information

In its ECL models, the Group relies on forward looking macro parameters such as consumer spending and interest rates to estimate the impact on probability of the default at a given point of time.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.7 Write-offs

The gross carrying amount of a financial asset is written-off when there is no reasonable expectation of recovering the asset. 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 Group has taken into account the characteristics of the asset or liability as 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 Group has access to at the measurement date. The Group 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 Group, 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.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost 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, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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 Group.

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 Group 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
Plant and machinery	15 years
Furniture and fittings	10 years
Office equipment's	5 years
Computers and accessories	3 years
Servers	6 years

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower.
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).
Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.11 Intangible assets

i. Intangible assets

Intangible assets including those acquired by the Group 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. Internally generated: Research and development

Expenditure on research activities is recognised in profit or loss as incurred.
Developing expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

iv. Amortisation

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

Asset category	Estimated Useful life
Computer softwares	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 Group'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 Group'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 Group, 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 comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits

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 Group 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.

3.13 Provisions

A provision is recognised if, as a result of a past event, the Group 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.

3.14 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e.the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the initial period agreed in the lease agreement , together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the initial period agreed in the lease agreement.

3.15 Taxes

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.

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 Group 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 Group 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 assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefit ts in the form of availability of set off against future income tax liability.

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 Group 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. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:
a. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
b. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.16 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the Effective Interest Rate Method.

3.17 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.

3.18 Earnings per share

The Group 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 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 Group are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

3.20 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). 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.

3.20.1 Hedge accounting policy

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

3.21 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022. These amendments do not have material effect on the Financial Statement of the Group.

3.22 Standard Issued But Not Yet Effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.
The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.
The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.
The Group is currently assessing the impact of the amendments.

3.23 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

► Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
► Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
► Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

		As at March 31, 2023	As at March 31, 2022
4	**Cash and cash equivalents**		
	Measured at amortised cost:		
	Cash on hand	0.32	-
	Balance with banks		
	- In current accounts	21,229.92	23,659.48
	- In deposit account (Refer note 4A below)	2,003.71	47,857.90
		23,233.95	**71,517.38**

4A Represents short-term deposits made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

4B At 31 March 2023, the Group had available INR 3,500 lacs (31 March 2022: INR 31,100 lacs) of undrawn committed borrowing facilities.

		As at March 31, 2023	As at March 31, 2022
5	**Bank balances other than cash and cash equivalents**		
	Measured at amortised cost:		
	- In deposit accounts with bank with maturity more than 3 months (Refer Note 5.1 below)	12,665.82	6,291.17
	In earmarked accounts:		
	- In unpaid dividend account	2.69	2.69
	- Deposit with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	6,357.36	2,440.58
		19,025.87	**8,734.44**

Note:

5.1 Deposit with bank includes deposits amounting to INR 2,149.56 lakhs (March 31, 2022 : INR 1,124.91 lakhs) representing amount received from customers as cash collateral for the loans provided by the Group.

		As at March 31, 2023		As at March 31, 2022	
6	**Derivative financial instruments**	**Notional Amount**	**Fair value of Assets**	**Notional Amount**	**Fair value of Assets**
	Part - I				
	Asset				
	(i) Currency derivatives (Refer Note 47) - measured at FVOCI				
	- Cross currency swaps	1,00,534.25	5,879.27	36,849.89	110.00
	- Forward contract	-	-	20,200.00	41.85
	(ii) Interest rate derivatives (Refer Note 47) - measured at FVPL				
	- Overnight Indexed Swaps	39,500.00	225.57	-	-
		1,40,034.25	**6,104.84**	**57,049.89**	**151.85**
	Part - II				
	Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
	Asset				
	Cash flow Hedging				
	- Cross currency swaps	1,00,534.25	5,879.27	36,849.89	110.00
	- Forward Contract	-	-	20,200.00	41.85
	Fair Value Hedging				
	- Overnight Indexed Swaps	39,500.00	225.57	-	-
		1,40,034.25	**6,104.84**	**57,049.89**	**151.85**

The notional amounts in the above table refers to the foreign currency borrowing on which the Group has hedged the risk of foreign currency fluctuations and interest rate fluctuations.
The Group has entered into derivative contracts, with scheduled banks with Investment grade credit rating. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.
The Asset Liability Management Committee periodically monitors and reviews the risks involved.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
7	**Trade receivables**		
	Unsecured - considered good	2,873.72	1,926.27
	Trade receivables which have significant increase in credit risk	1.14	1.76
	Trade receivables - Credit impaired	-	-
		2,874.86	**1,928.03**
	Less: Impairment loss allowance:		
	Unsecured - considered good	(13.35)	(9.42)
	Trade receivables which have significant increase in credit risk	(0.09)	(0.23)
	Trade receivables - Credit impaired	-	-
	Total	**2,861.42**	**1,918.38**

Note:
No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

7.1 The ageing schedule of Trade receivables is as follows:

i) As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Unbilled receivbles	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	-	1,999.14	53.69	8.21	-	-	799.33	2,860.37
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	1.05	-	-	-	-	1.05
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**1,999.14**	**54.74**	**8.21**	**-**	**-**	**799.33**	**2,861.42**

ii) As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Unbilled receivbles	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	-	1,327.58	-	-	-	-	589.27	1,916.85
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	1.53	-	-	-	-	-	1.53
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-		-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-		-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-		-
Total	**-**	**1,329.11**	**-**	**-**	**-**	**-**	**589.27**	**1,918.38**

7.2 Analysis of changes in the gross carrying amount of trade receivables and and the corresponding ECL allowance in relation to trade receivables
Changes in gross carrying amount

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,926.27**	**1.76**	**-**	**1,928.03**	**1,853.02**	**0.79**	**9.03**	**1,862.84**
New assets originated	2,873.72	1.14	-	2,874.86	1,926.27	1.76	-	1,928.03
Asset derecognised or repaid	(1,926.27)	(1.76)	-	(1,928.03)	(1,853.02)	(0.79)	(9.03)	(1,862.84)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**2,873.72**	**1.14**	**-**	**2,874.86**	**1,926.27**	**1.76**	**-**	**1,928.03**

Reconciliation of ECL Balance

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**9.42**	**0.23**	**-**	**9.65**	**21.53**	**0.02**	**5.87**	**27.42**
New assets originated	13.35	0.09	-	13.44	9.42	0.23	-	9.65
Asset derecognised or repaid	(9.31)	(0.23)	-	(9.54)	(21.53)	(0.02)	(5.87)	(27.42)
Transfer from stage 1	(0.11)	-	-	(0.11)	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**13.35**	**0.09**	**-**	**13.44**	**9.42**	**0.23**	**-**	**9.65**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

8 Loans

	As at March 31, 2023			As at March 31, 2022		
	At Amortised cost	At Fair Value through Other Comprehensive Income	Total	At Amortised cost	At Fair Value through Other Comprehensive Income	Total
A. Based on nature						
Term loans	4,67,577.77	1,82,829.41	6,50,407.18	3,94,657.51	97,879.98	4,92,537.49
Less : Impairment loss allowance	(7,963.25)	-	(7,963.25)	(5,371.60)	-	(5,371.60)
Total	**4,59,614.52**	**1,82,829.41**	**6,42,443.93**	**3,89,285.91**	**97,879.98**	**4,87,165.89**
Structured cash credit	47,355.55	-	47,355.55	34,109.75	-	34,109.75
Less : Impairment loss allowance	(938.91)	-	(938.91)	(400.11)	-	(400.11)
Total	**46,416.64**	**-**	**46,416.64**	**33,709.64**	**-**	**33,709.64**
Total	**5,06,031.16**	**1,82,829.41**	**6,88,860.57**	**4,22,995.55**	**97,879.98**	**5,20,875.53**
B. Based on Security						
(i) Secured by tangible assets *	3,71,269.44	54,828.28	4,26,097.72	2,94,038.33	77,737.97	3,71,776.30
(ii) Unsecured	1,43,663.88	1,28,001.13	2,71,665.01	1,34,728.93	20,142.01	1,54,870.94
Total Gross Loans	**5,14,933.32**	**1,82,829.41**	**6,97,762.73**	**4,28,767.26**	**97,879.98**	**5,26,647.24**
Less: Impairment loss allowance	(8,902.16)	-	(8,902.16)	(5,771.71)	-	(5,771.71)
Total Net Loans	**5,06,031.16**	**1,82,829.41**	**6,88,860.57**	**4,22,995.55**	**97,879.98**	**5,20,875.53**
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	5,14,933.32	1,82,829.41	6,97,762.73	4,28,767.26	97,879.98	5,26,647.24
Total Gross loans	**5,14,933.32**	**1,82,829.41**	**6,97,762.73**	**4,28,767.26**	**97,879.98**	**5,26,647.24**
Less: Impairment loss allowance	(8,902.16)	-	(8,902.16)	(5,771.71)	-	(5,771.71)
Total (I)-Net loans	**5,06,031.16**	**1,82,829.41**	**6,88,860.57**	**4,22,995.55**	**97,879.98**	**5,20,875.53**
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	**5,06,031.16**	**1,82,829.41**	**6,88,860.57**	**4,22,995.55**	**97,879.98**	**5,20,875.53**

* Term loans are secured by way of hypothecation of underlying loan receivables of the originator.
The Group has not granted any loans or advances to promoters, directors, key mangerial personels, and other related parties.
Also refer Note 38 on Credit Risk.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

9 Investments

	As at March 31, 2023				As at March 31, 2022			
	At Amortised cost	At Fair value through Other Comprehensive Income	At Fair Value through Profit and Loss	Total	At Amortised cost	At Fair value through Other Comprehensive Income	At Fair Value through Profit and Loss	Total
Investment in debentures (quoted)								
Non-convertible redeemable debentures	-	63,225.60		63,225.60	-	1,06,263.36	-	1,06,263.36
Market Linked debentures	-	-	26,435.23	26,435.23	-	-	25,159.28	25,159.28
Investment in debentures (unquoted)								
Non-convertible redeemable debentures	-	44,629.47	-	44,629.47	-	-	-	-
Market Linked debentures	-	-	2,922.31	2,922.31	-	-	-	-
Investment in Commercial papers (quoted)								
Commercial papers	-	3,409.24	-	3,409.24	993.69	-	-	993.69
Investment in pass-through certificates (unquoted)								
Investment in pass-through certificates	-	13,120.35	-	13,120.35	-	14,504.11	-	14,504.11
Investment in alternate investment funds (unquoted)								
Alternative Investment Funds (unquoted)	-	-	14,301.93	14,301.93	-	-	27,359.73	27,359.73
Investment in Other approved securities (unquoted)								
Investment in Goverment securities	7,258.59	-	-	7,258.59	-	-	-	-
Investment in mutual funds (quoted)								
Investment in Mutual Funds	-	-	970.23	970.23	-	-	2,293.32	2,293.32
Other investments (Unquoted)								
Share warrants	-	-	1.62	1.62	-	-	1.62	1.62
Sub total	**7,258.59**	**1,24,384.66**	**44,631.32**	**1,76,274.57**	**993.69**	**1,20,767.47**	**54,813.95**	**1,76,575.11**
Less: Impairment loss allowance for Investments	-	(1.21)	-	(1.21)	-	-	-	-
Total Investments	**7,258.59**	**1,24,383.45**	**44,631.32**	**1,76,273.36**	**993.69**	**1,20,767.47**	**54,813.95**	**1,76,575.11**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	7,258.59	1,24,383.45	44,631.32	1,76,273.36	993.69	1,20,767.47	54,813.95	1,76,575.11
Total Investments	**7,258.59**	**1,24,383.45**	**44,631.32**	**1,76,273.36**	**993.69**	**1,20,767.47**	**54,813.95**	**1,76,575.11**

Also refer Note 38 on Credit Risk.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
10	**Other financial assets**		
	Measured at amortised cost:		
	Security deposits	533.55	353.99
	Advances to employees	68.93	67.72
	Advance to originator partners	1,146.96	6,464.13
	Other receivables	1,943.09	79.58
	Excess Interest spread on derecognition of financial instruments	1,392.80	-
	Less: Impairment loss allowance	(26.37)	-
		5,058.96	**6,965.42**

10.1 Analysis of changes in the gross carrying amount of trade receivables and and the corresponding ECL allowance in relation to excess interest spread on derecognition of financial instruments

Changes in gross carrying amount

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
New assets originated	1,379.40	5.33	8.07	1,392.80	-	-	-	-
Asset derecognised or repaid	-	-	-	-	-	-	-	-
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**1,379.40**	**5.33**	**8.07**	**1,392.80**	**-**	**-**	**-**	**-**

Reconciliation of ECL Balance

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
New assets originated	18.69	2.43	5.25	26.37	-	-	-	-
Asset derecognised or repaid	-	-	-	-	-	-	-	-
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**18.69**	**2.43**	**5.25**	**26.37**	**-**	**-**	**-**	**-**

11.1 Property, plant and equipment

	Plant and machinery	Furniture and fittings	Computers and accessories	Office equipments	Servers	Leasehold improvements	Total
Cost/Deemed cost							
As at April 1, 2021	**0.29**	**2.52**	**246.30**	**141.40**	**0.19**	**127.25**	**517.95**
Additions	-	31.57	207.03	15.45	-	18.42	272.47
Disposals/Discarded	-	0.38	8.94	-	-	-	9.32
As at March 31, 2022	**0.29**	**33.71**	**444.39**	**156.85**	**0.19**	**145.67**	**781.10**
Additions	-	122.74	339.65	28.11	-	28.64	519.14
Acquisition of business (Refer note 48)	6.22	8.33	52.36	18.37	-	-	85.28
Disposals/Discarded	-	-	-	10.31	-	-	10.31
As at March 31, 2023	**6.51**	**164.78**	**836.40**	**193.02**	**0.19**	**174.31**	**1,375.21**
Accumulated depreciation							
As at April 1, 2021	**0.25**	**2.46**	**215.90**	**139.23**	**0.18**	**55.04**	**413.06**
Depreciation for the year	0.04	4.73	122.33	5.36	0.01	47.07	179.54
Disposals/Discarded	-	0.38	6.45	-	-	-	6.83
As at March 31, 2022	**0.29**	**6.81**	**331.78**	**144.59**	**0.19**	**102.11**	**585.77**
Depreciation for the year	5.97	37.60	310.00	27.93	-	31.19	412.69
Disposals/Discarded				4.72			4.72
As at March 31, 2023	**6.26**	**44.41**	**641.78**	**167.80**	**0.19**	**133.30**	**993.74**
Net block							
As at March 31, 2022	**0.00**	**26.90**	**112.61**	**12.26**	**-**	**43.56**	**195.33**
As at March 31, 2023	**0.25**	**120.37**	**194.62**	**25.22**	**-**	**41.01**	**381.46**

11.2 Right of use asset

The details of right of use asset held by the Group is as follows:

	Office Premises-Buildings	Total
Gross carrying value		
As at April 1, 2021	1,568.18	1,568.18
Additions	722.49	722.49
Disposals	135.61	135.61
As at March 31, 2022	**2,155.06**	**2,155.06**
Additions	134.35	134.35
Acquisition of business (Refer note 48)	8.37	8.37
Disposals	-	-
As at March 31, 2023	**2,297.78**	**2,297.78**
Accumulated amortisation		
As at April 1, 2021	582.74	582.74
Additions	481.96	481.96
Disposals	31.43	31.43
As at March 31, 2022	**1,033.27**	**1,033.27**
Additions	297.81	297.81
Disposals	-	-
As at March 31, 2023	**1,331.08**	**1,331.08**
Net carrying value:		
As at March 31, 2022	**1,121.79**	**1,121.79**
As at March 31, 2023	**966.70**	**966.70**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

11.3 Intangible assets under development

	Software	Total
As at April 1, 2021	**54.02**	**54.02**
Add: Additions	308.92	308.92
Less: Capitalised during the year	(263.14)	(263.14)
Less: Written off during the year	(71.36)	(71.36)
As at March 31, 2022	**28.44**	**28.44**
Add: Additions	839.01	839.01
Less: Capitalised during the year	(768.58)	(768.58)
As at March 31, 2023	**98.87**	**98.87**

11.3.i Ageing of Intangible assets under development

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	
Projects in Progress	92.87	6.00	-	-	98.87

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	
Projects in Progress	28.44	-	-	-	28.44

11.3.ii As at March 31, 2023 and March 31, 2022, there were no projects whose completion is overdue or has exceeded its cost compared to its original plan

11.4 Other Intangible assets

	Software	Total
Gross carrying value		
As at April 1, 2021	**1,757.89**	**1,757.89**
Additions	266.14	266.14
Disposals	-	-
As at March 31, 2022	**2,024.03**	**2,024.03**
Additions	768.56	768.56
Acquisition of business (Refer note 48)	30.11	30.11
As at March 31, 2023	**2,822.70**	**2,822.70**
Accumulated amortisation		
As at April 1, 2021	**785.12**	**785.12**
Amortisation for the year	295.94	295.94
On disposals	-	-
As at March 31, 2022	**1,081.06**	**1,081.06**
Amortisation for the year	404.55	404.55
As at March 31, 2023	**1,485.61**	**1,485.61**
Net carrying value		
As at March 31, 2022	**942.97**	**942.97**
As at March 31, 2023	**1,337.09**	**1,337.09**

11.5 Goodwill

	Goodwill	Total
Gross carrying value		
As at April 1, 2021	**174.63**	**174.63**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**174.63**	**174.63**
Additions (Refer note 48)	2,321.78	2,321.78
Disposals	-	-
As at March 31, 2023	**2,496.41**	**2,496.41**
Accumulated amortisation		
As at April 1, 2021	-	-
Impairment for the year	-	-
As at March 31, 2022	-	-
Impairment for the year	89.38	89.38
As at March 31, 2023	**89.38**	**89.38**
Net carrying value		
As at March 31, 2022	**174.63**	**174.63**
As at March 31, 2023	**2,407.02**	**2,407.02**

The amount of goodwill is not revalued/restated during the financial year.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
12 Other non- financial assets		
Measured at amortised cost:		
Prepaid expense	998.45	2,348.09
Balances with government authorities	163.78	154.10
Advances to vendors	228.66	130.23
	1,390.89	**2,632.42**

13 Derivative financial instruments	As at March 31, 2023		As at 31 March 2022	
	Notional Amount	Fair value of liabilities	Notional Amount	Fair value of liabilities
Part I				
(i) Currency derivatives (Refer Note 47) - measured at FVOCI				
- Cross currency swaps	5,000.00	149.31	43,851.00	626.49
- Forward contract	-	-	4,800.00	17.33
(ii) Interest rate derivatives (Refer Note 47) - measured at FVPL				
- Overnight Indexed Swaps	19,825.00	78.28	-	-
	24,825.00	**227.59**	**48,651.00**	**643.82**
Part-II				
Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
Cash flow Hedging				
- Cross currency swaps	5,000.00	149.31	43,851.00	626.49
- Forward Contract	-	-	4,800.00	17.33
Fair Value Hedging				
- Overnight Indexed Swaps	19,825.00	78.28	-	-
	24,825.00	**227.59**	**48,651.00**	**643.82**

The notional amounts in the above table refers to the foreign currency borrowing on which the Group has hedged the risk of foreign currency fluctuations and interest rate fluctuations.
The Group has entered into derivative contracts, with scheduled banks with Investment grade credit rating. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.
The Asset Liability Management Committee periodically monitors and reviews the risks involved.

14 Trade payables	As at March 31, 2023	As at March 31, 2022
Trade payables (Refer Note 14A)		
-Total outstanding dues to micro enterprises and small enterprises (refer note 41 for details of dues to micro and small enterprises)	-	-
-Total outstanding dues to creditors other than micro enterprises and small enterprises	10,961.20	5,581.73
	10,961.20	**5,581.73**
Trade payables to:		
Related Parties	-	-
Others	10,961.20	5,581.73
	10,961.20	**5,581.73**

15 Debt securities (Refer Note 15A)		
Measured at amortised cost:		
Secured:		
- Redeemable non-convertible debentures:	1,17,962.08	1,11,471.27
Unsecured:		
- Redeemable non-convertible debentures	23.51	23.51
- Commercial paper	4,445.96	22,864.90
Total Debt securities	**1,22,431.55**	**1,34,359.68**
Debt securities in India	1,22,431.55	1,34,359.68
Debt securities outside India	-	-
Total Debt securities	**1,22,431.55**	**1,34,359.68**

Secured Redeemable Non-Convertible Debentures are secured by specific charge on identified receivables (Refer Note 15A).

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
16	**Borrowings (Other than debt securities) (Refer Note 16A to 16E)**		
	Measured at amortised cost:		
	Secured		
	Term Loans		
	- from banks	4,03,533.72	3,07,824.00
	- from other financial institutions	1,27,518.69	1,04,774.03
	Loans repayable on demand from banks		
	- working capital loan from banks	45,976.45	45,918.36
	- cash credit from banks	-	1,426.22
		5,77,028.86	**4,59,942.61**
	Unsecured		
	Loan From others (Refer note 16E)	1.00	-
		1.00	**-**
	Total borrowings (Other than debt securities)	**5,77,029.86**	**4,59,942.61**
	Borrowings in India	4,65,507.66	3,76,390.64
	Borrowings outside India	1,11,522.20	83,551.97
	Total borrowings (Other than debt securities)	**5,77,029.86**	**4,59,942.61**
17	**Subordinated liabilities**		
	Measured at amortised cost:		
	Others (Refer Note 17A)		
	- from banks	1,498.89	1,497.29
	- from other financial institutions	2,496.18	2,496.18
		3,995.07	**3,993.47**
	Subordinated liabilities in India	3,995.07	3,993.47
	Subordinated liabilities outside India	-	-
		3,995.07	**3,993.47**

The Group has not defaulted in the repayment of dues to its lenders.

		As at March 31, 2023	As at March 31, 2022
18	**Other financial liabilities**		
	Collateral deposits from customers	2,356.59	1,941.87
	Employee benefits payable	3,465.49	2,555.27
	Remittances payable - derecognised financial instruments*	3,069.21	-
	Income received in advance	175.49	134.00
	Other liabilities	783.47	631.31
	Unpaid Dividend on Non convertible Preference shares	2.69	2.69
	Lease Liability (Refer Note 35)	1,166.36	1,429.21
		11,019.30	**6,694.35**

*Represents the amount collected from underlying customers yet to be paid to the assignee representative as at reporting date.

		As at March 31, 2023	As at March 31, 2022
19	**Provisions**		
	Provision for employee benefits:		
	- Gratuity (refer note 42)	1,054.53	746.40
	- Compensated absences	501.41	369.85
	Provision for others:		
	- Impairment loss allowance for guarantees (Refer Note 19(A))	1,506.77	702.19
	- Impairment loss allowance for loan commitments (Refer Note 19(B))	272.64	427.25
		3,335.35	**2,245.69**
20	**Other non- financial liabilities**		
	Statutory dues payable	1,308.92	617.11
	Deferred interest	55.21	49.61
		1,364.13	**666.72**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

14A The ageing schedule of Trade payables is as follows:

i) As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment				Unbilled dues	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	961.86	74.16	-	-	9,925.18	10,961.20
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

ii) As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Unbilled dues	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	237.71	-	-	-	5,344.02	5,581.73
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Refer Note 41 for details of dues to micro and small enterprises.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of issuance of debt securities

Particulars	Terms of Redemption	Security	Interest rate	Earliest instalment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Secured, redeemable non-convertible debentures:						
- NIL units (March 31, 2022: 750 units) of 10.2% Redeemable, Market linked non-convertible debentures of INR 10,000 each, maturing on April 29, 2022	Coupon payment frequency:on maturity Principal repayment frequency: on maturity Tenure of security: 1.75 years Redemption date:April 29,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.20%	29-Apr-22	-	750.00
- NIL units (March 31, 2022: 12500 units) of 10.00% Redeemable,market linked non-convertible debentures of INR 10,000 each, maturing on June 11, 2022	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 1.25 years Redemption date:June 11,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.00%	11-Jun-22	-	1,250.00
- NIL units (March 31, 2022: 1000 units) of 9.45% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 11, 2022	Coupon payment frequency:Semi annual Principal repayment frequency:Entire principal repaid on maturity Tenure of security: 3.50 years Redemption date:June 11,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.45%	11-Jun-22	-	10,000.00
- NIL units (March 31, 2022: 150 units) of 9.30% Redeemable,market linked non-convertible debentures of INR 10,00,000 each, maturing on September 17, 2022	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 18 Months Redemption date:September 17,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.30%	17-Sep-22	-	1,500.00
- NIL units (March 31, 2022: 1000 units) of 10.45% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on September 30, 2022	Coupon payment frequency: semi annual Principal repayment frequency: maturity Tenure of security: 2 years Redemption date:September 30,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.45%	30-Sep-22	-	10,000.00
- NIL units (March 31, 2022: 1500 units) of 9.15% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on May 13, 2022	Coupon payment frequency: semi annual Principal repayment frequency: 4 equal quarterly instalments Tenure of security: 1.5 years Redemption date:September 30,2022	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.15%	30-Sep-22	-	3,750.00
- NIL units (March 31, 2022: 23200 units) of 9.05% Redeemable,market linked non-convertible debentures of INR 10,000 each, maturing on January 21, 2023	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 2 years Redemption date:January 21,2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.05%	21-Jan-23	-	2,320.00
- NIL units (March 31, 2022: 228 units) of 8.80% Redeemable,market linked non-convertible debentures of INR 5,00,000 each, maturing on February 23, 2023	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 2 Years Redemption date:February 23,2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	8.80%	23-Feb-23	-	1,140.00
- NIL units (March 31, 2022 294 units) of 8.90% Redeemable,market linked non-convertible debentures of INR 5,00,000 each, maturing on February 24, 2023	Coupon payment frequency: on maturity Principal repayment frequency: on maturity Tenure of security: 2 years Redemption date:February 24,2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	8.90%	24-Feb-23	-	1,470.00
- 200 units (March 31, 2022: 348 units) of 8.95% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 30, 2024	Coupon payment frequency: Monthly Principal repayment frequency: On maturity Tenure of security: 21 months Redemption date: June 30, 2024	The Debentures shall be secured by a first ranking and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.95%	28-Apr-23	2,000.00	3,480.00
- 1800 units (March 31, 2022: 1800 units) of 9.85% Redeemable,market linked non-convertible debentures of INR 10,00,000 each, maturing on March 23, 2026	Coupon payment frequency: Semi annually Principal repayment frequency: On maturity Tenure of security: 60 months Redemption date: March 23, 2026	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.85%	30-Apr-23	14,400.00	14,400.00
- 2949 units (March 31, 2022: 2949 units) of 9.966% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 18, 2025	Coupon payment frequency: Semi annualy Principal repayment frequency: 7 equal half-yearly instalments Tenure of security: 60 months Redemption date: December 18, 2025	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.97%	18-Jun-23	25,277.14	29,490.00
- 1,000 units (March 31, 2022: 1000 units) of 9.60% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 20, 2023	Coupon payment frequency: Semi annualy Principal repayment frequency: Entire principal to be repaid in 7 equal semi annual instalments after a moratorium of eighteen months Tenure of security: 60 months Redemption date: December 20, 2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.60%	20-Jun-23	2,857.14	5,714.29
- 500 units (March 31, 2022: 500 units) of 11.25% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 26, 2023	Coupon payment frequency: Annually Principal repayment frequency: On maturity Tenure of security: 36 months Redemption date: June 26, 2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	11.25%	26-Jun-23	833.33	5,000.00
- 500 units (March 31, 2022: 500 units) of 10.40% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on July 13, 2023	Coupon payment frequency: Quarterly Principal repayment frequency: 12 equal quarterly instalments Tenure of security: 36 months Redemption date: July 13, 2023	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	10.40%	26-Jun-23	5,000.00	2,500.00
- 10000 units (March 31, 2022: 10000 units) of Market Linked Redeemable non-convertible debentures of INR 1,00,000 each, maturing on July 27, 2023	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 26 months Redemption date: July 27, 2023	The Debentures shall be secured by way of a first ranking and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien .	8.75%	27-Jul-23	10,000.00	10,000.00
- 3950 units (March 31, 2022: Nil units) of 10.07% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on September 21, 2027	Coupon payment frequency: Semi annually Principal repayment frequency: Entire principal to be repaid in 5 equal instalments at the end of 12 months, 36 Months, 42 months, 48 months and 60 months Tenure of security: 5 years Redemption date: September 21, 2027	The Debentures shall be secured by a first ranking and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien	Overnight MIBOR +Spread 3.51%	21-Sep-23	39,500.00	-
- 750 units (March 31, 2022: 750 units) of 11.338% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on March 28, 2024	Coupon payment frequency: Annualy Principal repayment frequency: Entire principal to be repaid in 4 equal instalments at the end of 24 months, 36 Months, 42 months and 48 months Tenure of security: 48 months Redemption date: March 28, 2024	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	11.34%	03-Oct-23	3,750.00	5,625.00
- 891 units (March 31, 2022: Nil units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.10%	27-Jan-25	8,910.00	-
- 2500 units (March 31, 2022: Nil units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.10%	27-Jan-25	2,500.00	-
Total					**1,15,027.61**	**1,08,389.29**

The balances above are net of accrued interest and gross of unamortised processing fees

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars	Terms of Redemption	Security	Interest rate	Earliest instalment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Unsecured, redeemable non-convertible debentures:						
- 235140 units (March 31, 2022: 235140 units) of 11.6% Redeemable non-convertible debentures of INR 10 each, maturing on Sep 25, 2023	Coupon payment frequency: Monthly Principal repayment frequency: On maturity Tenure of security: 4 years Redemption date: September 25, 2023	NA	11.60%	30-Apr-23	23.51	23.51
Total					23.51	23.51

Particulars	Terms of Redemption	Security	Interest rate	Earliest instalment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Unsecured, Commercial Paper:						
NIL Units (March 31, 2022 : 600 units) of 6.97% commercial paper of INR 500,000 each, maturing on April 08, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 77 Days; Redemption Date:April 8, 2022	NA	6.97%	08-Apr-22	-	3,000.00
NIL units (March 31, 2022 : 700 units) of 6.93% commercial paper of INR 500,000 each, maturing on May 31, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 71 Days; Redemption Date:May 31, 2022	NA	6.93%	31-May-22	-	3,500.00
NIL Units (March 31, 2022 : 160 units) of 6.98% commercial paper of INR 500,000 each, maturing on June 07, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 7, 2022	NA	6.98%	07-Jun-22	-	800.00
NIL Units (March 31, 2022 : 200 units) of 6.80% commercial paper of INR 500,000 each, maturing on June 09, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 90 Days; Redemption Date:June 9, 2022	NA	6.80%	09-Jun-22	-	1,000.00
NIL Units (March 31, 2022 : 500 units) of 6.98% commercial paper of INR 500,000 each, maturing on June 10, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 10, 2022	NA	6.98%	10-Jun-22	-	2,500.00
NIL Units (March 31, 2022 : 1,000 units) of 6.98% commercial paper of INR 500,000 each, maturing on June 21, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 21, 2022	NA	6.98%	21-Jun-22	-	5,000.00
NIL Units (March 31, 2022 : 500 units) of 7.60% commercial paper of INR 500,000 each, maturing on August 22, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 181 Days; Redemption Date:August 22, 2022	NA	7.60%	22-Aug-22	-	2,500.00
NIL Units (March 31, 2022 : 1,000 units) of 7.95% commercial paper of INR 500,000 each, maturing on September 30, 2022	Repayment Terms:Entire amount is repaid on maturity Tenor: 365 Days; Redemption Date:September 30, 2022	NA	7.95%	30-Sep-22	-	5,000.00
400 Units (March 31, 2022 : NIL units) of 7.99%% commercial paper of INR 500,000 each, maturing on May 5, 2023	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:May 05 ,2023	NA	7.99%	05-May-23	2,000.00	-
300 Units (March 31, 2022 : NIL units) of 8.10% commercial paper of INR 500,000 each, maturing on May 31, 2023	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:May 31 ,2023	NA	8.10%	31-May-23	1,500.00	-
200 Units (March 31, 2022 : NIL units) of 8.20% commercial paper of INR 500,000 each, maturing on June 28, 2023	Repayment Terms:Entire amount is repaid on maturity Tenor: 91 Days; Redemption Date:June 28,2023	NA	8.20%	28-Jun-23	1,000.00	-
Total					4,500.00	38,300.00
Grand total					1,19,551.12	1,46,712.80

The balances above are net of accrued interest and gross of unamortised processing fees
* Coupon rate are linked to perfromance of specified indices inclusing maket indiactors over the period of the debentures

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Secured borrowing from banks					
Term Loan - 1	Repayments terms: Repayment on Maturity Tenor of Security : 90 days Redemption date: June 21, 2021	18%	21-Jun-21	-	4,000.00
Term Loan - 2	Repayments terms: Repayment on Maturity Tenor of Security : 3 months Redemption date: June 25, 2021	17%	25-Jun-21	-	2,500.00
Term Loan - 3	Repayments terms: Repayment on Maturity Tenor of Security : 6 months Redemption date: Septemebr 25, 2021	19%	25-Sep-21	-	5,000.00
Term Loan - 4	Repayments terms: Repayment on Maturity Tenor of Security : 1 year Redemption date: December 4, 2021	13%	04-Dec-21	-	5,000.00
Term Loan - 5	Repayments terms: Repayment on Maturity Tenor of Security : 1 year Redemption date: December 28, 2021	18%	28-Dec-21	-	2,500.00
Term Loan - 6	Repayments terms: Repayment on Maturity Tenor of Security : 1 year Redemption date: March 26, 2022	20%	26-Mar-22	-	3,000.00
Term Loan - 7	Repayments terms: 18 Monthly installments Tenor of Security : 2 Years Redemption date: February 28, 2023	18%	03-Apr-22	-	3,333.33
Term Loan - 8	Repayments terms:35 monthly installments Tenor of Security : 3.3 Years Redemption date: Jan 5, 2023	24%	05-Apr-22	-	181.82
Term Loan - 9	Repayments terms:12 quarterly installments Tenor of Security : 3 Years Redemption date: April 5, 2023	22.00%	05-Apr-22	-	2,081.67
Term Loan - 10	Repayments terms:10 Monthly installments Tenor of Security : 1 Years Redemption date: August 10, 2022	12%	10-Apr-22	-	2,875.00
Term Loan - 11	Repayments terms:30 monthly installments Tenor of Security : 3 Years Redemption date: May 16,2022	22%	16-Apr-22	-	1,666.67
Term Loan - 12	Repayments terms:12 quarterly installments Tenor of Security : 2.3 Years Redemption date: March 31, 2023	21%	30-Apr-22	-	2,500.00
Term Loan - 13	Repayments terms:36 monthly installments Tenor of Security : 3 Years Redemption date: December 31, 2022	18%	30-Apr-22	-	750.00
Term Loan - 14	Repayments terms:36 monthly installments Tenor of Security : 3 Years Redemption date: December 31, 2022	22%	30-Apr-22	-	750.00
Term Loan - 15	Repayments terms:11 quarterly installments Tenor of Security : 2.2 Years Redemption date: September 30, 2022	21%	30-Apr-22	-	2,727.82
Term Loan - 16	Repayments terms:12 quarterly installments Tenor of Security : 3 Years Redemption date: December 31, 2022	20%	30-Apr-22	-	500.00
Term Loan - 17	Repayments terms:48 monthly installments Tenor of Security : 4 Years Redemption date: March 31, 2024	22%	30-Apr-22	-	1,666.67
Term Loan - 18	Repayments terms:48 monthly installments Tenor of Security : 4 Years Redemption date: March 31, 2024	21%	30-Apr-22	-	1,656.97
Term Loan - 19	Repayments terms:10 quarterly installments Tenor of Security : 3 Years Redemption date: February 2, 2023	23%	30-Apr-22	-	992.68
Term Loan - 20	Repayments terms:11 quarterly installments Tenor of Security : 2.2 Years Redemption date: September 30, 2022	21%	30-Apr-22	-	2,727.82
Term Loan - 21	Repayments terms: 24 monthly installments Tenor of Security : 2 Years Redemption date: February 28, 2023	18%	30-Apr-22	-	687.50
Term Loan - 22	Repayments terms: 6 quarterly installments Tenor of Security : 1.5 Years Redemption date: September 29, 2022	18%	30-Apr-22	-	3,333.33
Term Loan - 23	Repayments terms:12 Quarterly installments Tenor of Security : 3.25 Years Redemption date: April 30, 2024	18%	30-Apr-22	-	2,624.00
Term Loan - 24	Repayments terms:11 Quarterly installments Tenor of Security : 2.8 Years Redemption date: December 31, 2023	17%	30-Apr-22	-	12,728.00
Term Loan - 25	Repayments terms: 10 quarterly installments Tenor of Security : 33 months Redemption date: October 9, 2023	18%	30-Apr-22	-	2,100.00

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 26	Repayments terms: 36 monthly installments Tenor of Security : 3 years Redemption date: March 31, 2024	17.00%	30-Apr-22	-	2,666.67
Term Loan - 27	Repayments terms: Repayment on Maturity Tenor of Security : 3 Month Redemption date: May 13, 2022	15.00%	13-May-22	-	1,000.00
Term Loan - 28	Repayments terms: Repayment on Maturity Tenor of Security : 1 Year Redemption date: May 20, 2022	16.00%	20-May-22	-	5,000.00
Term Loan - 29	Repayments terms: Repayment on Maturity Tenor of Security : 180 days Redemption date: May 21, 2021 & June 9,2021	19%	21-May-22	-	5,000.00
Term Loan - 30	Repayments terms: Repayment on Maturity Tenor of Security : 6 Month Redemption date: May 31, 2022	15%	31-May-22	-	5,000.00
Term Loan - 31	Repayment Terms: 12 monthly instalments Tenor: 12 Months Redemption Date: July 03, 2023	Repo Rate + Spread 3.4%	03-Apr-23	2,222.22	-
Term Loan - 32	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: April 05, 2023	1 Y MCLR + Spread 0.95%	05-Apr-23	387.41	2,624.00
Term Loan - 33	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-23	2,500.00	-
Term Loan - 34	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: March 10, 2025	INR 13,900 - Repo Rate + Spread 3.5%, INR 5,000 - Repo Rate + Spread 3.75%	10-Apr-23	14,594.65	18,900.00
Term Loan - 35	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10 , 2025	Repo Rate + Spread 3.75%	10-Apr-23	8,666.67	-
Term Loan - 36	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: March 11, 2025	1 Y MCLR + Spread 0%	11-Apr-23	6,000.00	7,500.00
Term Loan - 37	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: August 13, 2024	1 Y MCLR + Spread 0.5%	13-Apr-23	2,833.33	4,833.33
Term Loan - 38	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: March 13, 2026	9.00%	13-Apr-23	5,000.00	-
Term Loan - 39	Repayments terms:10 quaterly instalments Tenor: 36 months Redemption date: December 23, 2024	1 Y MCLR + Spread 0%	23-Apr-23	2,450.00	3,500.00
Term Loan - 40	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Apr-23	12,000.00	-
Term Loan - 41	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 24, 2025	1 Y MCLR + Spread 0.25%	24-Apr-23	13,333.33	20,000.00
Term Loan - 42	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 25, 2025	364 days T Bill + Spread 3.99%	25-Apr-23	1,966.67	2,950.00
Term Loan - 43	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: September 26, 2024	8.60%	26-Apr-23	3,850.00	-
Term Loan - 44	Repayments terms: Repayment on maturity Tenor: 60 days Redemption date: April 27, 2023	7.35%	27-Apr-23	5,000.00	4,000.00
Term Loan - 45	Repayments terms: 15 monthy instalments Tenor: 18 months Redemption date: April 26, 2024	3M T Bill + Spread 2.75%	27-Apr-23	4,333.40	-
Term Loan - 46	Repayments terms: 9 quaterly instalments Tenor: 27 months Redemption date: January 27 , 2025	3M T Bill + Spread 2.90%	27-Apr-23	4,444.45	-
Term Loan - 47	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	29-Apr-23	2,933.33	4,000.00
Term Loan - 48	Repayments terms: 60 monthy instalments Tenor: 60 months Redemption date: January 19, 2025	1 Y MCLR + Spread 1.5%	29-Apr-23	6,000.00	10,000.00
Term Loan - 49	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	29-Apr-23	1,466.67	2,000.00
Term Loan - 50	Repayments terms:24 monthly instalments Tenor: 24 months Redemption date: December 29, 2023	8.00%	29-Apr-23	3,748.01	8,750.00

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 51	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 29, 2025	1 Y MCLR + Spread 1.55%	29-Apr-23	3,000.00	4,500.00
Term Loan - 52	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: September 29, 2024	1 Y MCLR + Spread 0.15%	29-Apr-23	5,454.55	9,090.91
Term Loan - 53	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 29, 2024	6M MCLR + Spread 0.3%	29-Apr-23	2,500.00	5,000.00
Term Loan - 54	Repayments terms: 11 quarterly instalments Tenor : 36 months Redemption date: March 29, 2026	1 Y MCLR + Spread 1.00%	29-Apr-23	7,500.00	-
Term Loan - 55	Repayments terms: 10 quaterly instalments Tenor: 33 months Redemption date: September 30, 2024	1 Y SOFR + Spread 2%	30-Apr-23	9,000.00	15,000.00
Term Loan - 56	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	30-Apr-23	2,083.33	2,500.00
Term Loan - 57	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2024	1 Y MCLR + Spread 0.8%	30-Apr-23	10,000.00	20,000.00
Term Loan - 58	Repayments terms: 36 montly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.25%	30-Apr-23	5,828.31	9,166.67
Term Loan - 59	Repayments terms: 12 quarterly instalments Tenor: 39 months Redemption date: April 30, 2024	6M MCLR + Spread 0.5%	30-Apr-23	1,446.29	2,624.00
Term Loan - 60	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: November 30, 2024	8.00%	30-Apr-23	3,030.30	4,848.48
Term Loan - 61	Repayments terms: Repayment on maturity Tenor: 4 months Redemption date: April 30,2023	1 Y MCLR + Spread 1.85%	30-Apr-23	2,500.00	-
Term Loan - 62	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	5,000.00	8,333.33
Term Loan - 63	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	2,500.00	4,166.67
Term Loan - 64	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: September 28, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	2,500.00	4,166.67
Term Loan - 65	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	30-Apr-23	4,000.00	5,000.00
Term Loan - 66	Repayments terms: 15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	30-Apr-23	3,666.67	5,000.00
Term Loan - 67	Repayments terms:15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	30-Apr-23	3,666.67	5,000.00
Term Loan - 68	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: March 31, 2024	1 Y MCLR + Spread 2.55%	30-Apr-23	416.67	1,666.67
Term Loan - 69	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: March 31, 2024	1 Y MCLR + Spread 2.25%	30-Apr-23	406.97	1,656.97
Term Loan - 70	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y T Bill + Spread 3.34%	30-Apr-23	3,500.00	5,833.33
Term Loan - 71	Repayments terms: 24 monthly instalments Tenor: 33 months Redemption date: October 21, 2024	1 Y MCLR + Spread 0.6%	30-Apr-23	1,748.94	2,500.00
Term Loan - 72	Repayments terms: 10 quarterly instalments Tenor: 33 months Redemption date: October 09, 2023	1 Y MCLR + Spread 0.05%	30-Apr-23	880.36	2,100.00
Term Loan - 73	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 31, 2024	8.60%	30-Apr-23	1,333.33	2,666.67
Term Loan - 74	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y MCLR + Spread 1%	30-Apr-23	1,250.00	2,083.33
Term Loan - 75	Repayments terms: 11 quarterly instalments Tenor: 33 Years Redemption date: December 31, 2023	6M MCLR + Spread 2.25%	30-Apr-23	5,456.00	12,728.00

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 76	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: March 28, 2024	1 Y MCLR + Spread 0.65%	30-Apr-23	363.65	727.29
Term Loan - 77	Repayments terms: 8 quaterly instalments Tenor: 27 months Redemption date: December 28 2023	3M MCLR + Spread 3.9%	30-Apr-23	3,750.00	8,750.00
Term Loan - 78	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.3%	30-Apr-23	1,750.00	2,750.00
Term Loan - 79	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 31, 2025	1 Y MCLR + Spread 0.8%	30-Apr-23	2,647.73	4,000.00
Term Loan - 80	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: July 31, 2023	External BMLR + Spread 5%	30-Apr-23	250.00	1,000.00
Term Loan - 81	Repayments terms: 11 qauterly instalments Tenor: 36 months Redemption date: March 28, 2025	1 Y MCLR + Spread 1%	30-Apr-23	7,194.77	10,000.00
Term Loan - 82	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 30, 2024	364 days T Bill + Spread 5.2%	30-Apr-23	916.67	1,650.00
Term Loan - 83	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: May 31 , 2024	External BMLR + Spread 4.2%	30-Apr-23	1,750.00	-
Term Loan - 84	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	30-Apr-23	12,000.00	-
Term Loan - 85	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-23	9,450.00	-
Term Loan - 86	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-23	3,600.00	-
Term Loan - 87	Repayments terms: 15 monthly instalments Tenor: 18 months Redemption date: February 29, 2024	1M MCLR + Spread 0.38%	30-Apr-23	1,100.00	-
Term Loan - 88	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Apr-23	6,250.00	-
Term Loan - 89	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	30-Apr-23	4,185.44	-
Term Loan - 90	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	30-Apr-23	4,324.32	-
Term Loan - 91	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR +Spread 0.8%	30-Apr-23	17,765.86	-
Term Loan - 92	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16 ,2025	1 Y MCLR + Spread 1.1%	30-Apr-23	9,166.67	-
Term Loan - 93	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16, 2025	1 Y MCLR + Spread 1.4%	30-Apr-23	9,166.50	-
Term Loan - 94	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-23	4,387.50	-
Term Loan - 95	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	30-Apr-23	5,000.00	-
Term Loan - 96	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-23	9,750.00	-
Term Loan - 97	Repayments terms: 24 monthly instalments Tenor: 27 months Redemption date: March 31, 2025	1 year MCLR + Spread 0.1%	30-Apr-23	5,000.00	-
Term Loan - 98	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-23	17,550.00	-
Term Loan - 99	Repayment Terms: 37 monthly instalments Tenor: 37 months Redemption Date: March 15, 2025	Repo Rate + Spread 2.30%	30-Apr-23	7,500.00	-
Term Loan - 100	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16, 2025	1 Y MCLR + Spread 1.5%	30-Apr-23	9,166.50	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan - 101	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 16, 2025	1 Y MCLR + Spread 1.3%	30-Apr-23	4,583.33	-
Term Loan - 102	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	30-Apr-23	4,000.00	-
Term Loan - 103	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 14, 2025	1 Y MCLR + Spread 1.5%	30-Apr-23	4,583.00	-
Term Loan - 104	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2025	6M MCLR + Spread 0.6%	30-Apr-23	9,000.00	-
Term Loan - 105	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2025	3M MCLR + Spread 0%	30-Apr-23	5,000.00	-
Term Loan - 106	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	30-Apr-23	15,000.00	-
Term Loan - 107	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	01-May-23	7,857.14	10,000.00
Term Loan - 108	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	01-May-23	3,750.00	5,000.00
Term Loan - 109	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	01-May-23	4,062.50	5,000.00
Term Loan - 110	Repayments terms: 15 quaterly instalments Tenor: 42 months Redemption date: June 30, 2025	1 Y MCLR + Spread 1.15%	01-May-23	3,742.76	5,000.00
Term Loan - 111	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	01-May-23	6,875.00	-
Term Loan - 112	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	01-May-23	5,000.00	-
Term Loan - 113	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	01-May-23	2,500.00	-
Term Loan - 114	Repayments terms: Repayment on maturity Tenor: 38 days Redemption date: May 05, 2023	Overnight MCLR + Spread 0.25%	05-May-23	5,000.00	-
Term Loan - 115	Repayments terms: Repayment on maturity Tenor: 39 days Redemption date: May 05, 2023	8.80%	05-May-23	5,000.00	5,000.00
Term Loan - 116	Repayments terms: Repayment on maturity Tenor: 51 Days Redemption date: May 06, 2023	1 Y MCLR + Spread 0.15%	06-May-23	2,500.00	-
Term Loan - 117	Repayments terms: Repayment on maturity Tenor: 6 months Redemption date: May 17, 2023	1 M MCLR + Spread 0%	17-May-23	5,100.67	5,000.00
Term Loan - 118	Repayments terms: Repayment on maturity Tenor: 3 months Redemption date: June 18, 2023	3 M MCLR + Spread 0.20%	18-Jun-23	8,000.00	5,000.00
Term Loan - 119	Repayments terms: Repayment on maturity Tenor: 12 months Redemption date: June 25,2023	8.70%	25-Jun-23	2,500.00	-
Total				**4,50,438.54**	**3,80,116.27**

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Secured borrowing from other financial institutions					
Term Loan from others - 1	Repayment Terms: 36 Monthly installments Tenor: 3 Years Redemption Date:Decemebr 17,2021	12.00%	17-Apr-22	-	202.63
Term Loan from others - 2	Repayment Terms: Repayment in 36 monthly installments Tenor: 3 Years Redemption Date:Sep 22,2022	12.25%	22-Apr-22	-	998.84
Term Loan from others - 3	Repayment Terms: Repayment in 24 equal monthly installments Tenor: 2 Years Redemption Date:September 22, 2022	9.35%	22-Apr-22	-	1,335.89
Term Loan from others - 4	Repayment Terms: Repayment in 11 equal quarterly installments Tenor: 2.8 Years Redemption Date:June 30,2022	11.75%	30-Apr-22	-	495.42
Term Loan from others - 5	Repayment Terms: Repayment in 12 equal quarterly installments Tenor: 3 Years Redemption Date:July 1,2022	11.75%	01-May-22	-	416.67

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Term Loan from others - 6	Repayment Terms: Repayment in 12 equal quarterly installments Tenor: 3 Years Redemption Date:March 1, 2023	11.40%	01-May-22	-	833.33
Term Loan from others - 7	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: September 21, 2023	HDFC 1Y MCLR + Spread 1.95%	05-Apr-23	666.65	2,200.00
Term Loan from others - 8	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: September 28, 2024	3M MCLR + Spread 0.55%	05-Apr-23	5,937.50	-
Term Loan from others - 9	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: October 01, 2024	LTRR + Spread 9.05%	10-Apr-23	1,000.00	-
Term Loan from others - 10	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: July 30, 2024	HDFC 1Y MCLR + Spread 1.6%	29-Apr-23	2,222.22	4,800.00
Term Loan from others - 11	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	29-Apr-23	7,303.00	5,200.00
Term Loan from others - 12	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: March 30, 2024	9.25%	30-Apr-23	1,457.90	2,787.47
Term Loan from others - 13	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: October 01, 2023	8.40%	01-May-23	1,500.00	4,500.00
Term Loan from others - 14	Repayment Terms: 12 quarterly instalments Tenor: 36 months Redemption Date: June 01, 2024	9.10%	01-May-23	1,041.67	1,875.00
Term Loan from others - 15	Repayment Terms: 12 quarterly instalments Tenor: 36 months Redemption Date: June 01, 2023	11.40%	01-May-23	166.67	833.33
Term Loan from others - 16	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	01-May-23	2,250.00	-
Term Loan from others - 17	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	15-May-23	18,447.50	18,447.50
Term Loan from others - 18	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	15-May-23	18,108.75	18,108.75
Term Loan from others - 19	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-23	19,825.00	-
Term Loan from others - 20	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-23	36,850.00	36,850.00
Total				**1,16,776.86**	**99,884.83**
Grand total				**5,67,215.40**	**4,80,001.10**

16B. Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at 31 March 2023, the rate of interest across the cash credit and working capital demand loans was in the range of 6.25 % p.a to 10.15% p.a (March 31, 2022 - 6.10% p.a to 11.45% p.a). The Group has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayment during the year.

16C. The Group has used the borrowings from banks and financial instritution for the specified purpose as per the agreement with the lender.
16D. The quarterly returns/statements of current assets filed by the Group with the banks and financial institutions in relation to secured borrowings whenever applicable, are in agreement with the books of accounts.

16E. Unsecured loan from others represent loan taken by Pragathi Finserv Private Limited (subsidiary company) from one of its directors. The same is interest free and repayable on demand

Note 17 A : Details regarding terms of Suboridnated liabilities (from banks)

Particulars	Terms of Redemption	Interest rate	Earliest installment date	Gross Balance as at March 31, 2023	Gross Balance as at March 31, 2022
Sub debt from others	Repayment Terms: Entire principal to be repaid on redemption date Tenor: 66 Months Redemption Date: June 27 ,2023	10.25%	27-06-2023	2,496.18	2,496.18
Sub debt from Bank	Repayments terms: Entire principal to be repaid on redemption date Tenor of Security : 66 Months Redemption date: June 28,2023	10.25%	28-06-2023	1,498.89	1,497.29
Total				**3,995.07**	**3,993.47**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

19A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	15,668.20	720.00	-	16,388.20	22,613.99	1,131.47	-	23,745.46
Individually impaired	-	-	-	-	-	-	-	-
Total	**15,668.20**	**720.00**	**-**	**16,388.20**	**22,613.99**	**1,131.47**	**-**	**23,745.46**

ii **An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to guarantees is, as follows:**

Gross exposure reconciliation

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**22,613.99**	**1,131.47**	**-**	**23,745.46**	**26,235.56**	**739.12**	**167.06**	**27,141.74**
New exposures	3,937.96	-	-	3,937.96	5,942.08	-	-	5,942.08
Asset derecognised or repaid	(10,883.75)	(411.47)		(11,295.22)	(8,816.01)	(355.29)	(167.06)	(9,338.36)
Transfer from stage 1	-	-	-	-	(747.64)	747.64	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**15,668.20**	**720.00**	**-**	**16,388.20**	**22,613.99**	**1,131.47**	**-**	**23,745.46**

iii **Reconciliation of ECL balance**

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**643.72**	**58.47**	**-**	**702.19**	**636.32**	**14.78**	**108.59**	**759.69**
New exposures	74.08	-	-	74.08	73.20	-	-	73.20
Asset derecognised or repaid	(359.03)	(7.79)	-	(366.82)	(15.01)	(7.11)	(108.59)	(130.70)
Transfer from stage 1	-	-	-	-	(50.79)	50.79	-	-
Transfer from stage 2	-	1,097.32	-	1,097.32	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**358.77**	**1,148.00**	**-**	**1,506.77**	**643.72**	**58.47**	**-**	**702.19**

19B Impairment loss allowance for loan commitments

i **Credit quality of exposure**

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	12,733.82	500.00	-	13,233.82	29,004.00	-	-	29,004.00
Total	**12,733.82**	**500.00**	**-**	**13,233.82**	**29,004.00**	**-**	**-**	**29,004.00**

ii **An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loan commitments is, as follows:**

Gross exposure reconciliation

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**29,004.00**	**-**	**-**	**29,004.00**	**19,889.00**	**-**	**-**	**19,889.00**
New exposures	13,233.82	-		13,233.82	29,004.00	-	-	29,004.00
Asset derecognised or repaid	(29,004.00)	-	-	(29,004.00)	(19,889.00)	-	-	(19,889.00)
Transfer from stage 1	(500.00)	500.00	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**12,733.82**	**500.00**	**-**	**13,233.82**	**29,004.00**	**-**	**-**	**29,004.00**

iii Reconciliation of ECL balance

Particulars	As at				As at			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**427.25**	**-**	**-**	**427.25**	**433.64**	**-**	**-**	**433.64**
New exposures	251.76	-	-	251.76	427.25	-	-	427.25
Asset derecognised or repaid	(409.77)	-	-	(409.77)	(433.64)	-	-	(433.64)
Transfer from stage 1	(6.82)	10.22	-	3.40	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**262.42**	**10.22**	**-**	**272.64**	**427.25**	**-**	**-**	**427.25**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
21 Share capital		
Authorised		
137,000,000 (March 31, 2022: 137,000,000) equity shares of INR 10 each	13,700.00	13,700.00
60,100,000 (March 31, 2022: 60,100,000) 0.0001% Compulsorily convertible preference shares of INR 20 each	12,020.00	12,020.00
19,800,000 (March 31, 2022: 19,800,000) 9.85% Cumulative non convertible compulsorily redeemable preference shares of INR 10 each	1,980.00	1,980.00
	27,700.00	**27,700.00**
Issued, subscribed and paid up		
Equity Shares		
89,031,293 (March 31, 2022: 88,907,543) equity shares of INR 10 each	8,903.13	8,890.75
	8,903.13	**8,890.75**
Instruments entirely equity in nature:		
0.0001% Compulsorily convertible preference shares		
41,323,204 (March 31, 2022: 41,323,204) equity shares of INR 20 each	8,264.64	8,264.64
	8,264.64	**8,264.64**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	8,89,07,543	8,890.75	8,79,21,550	8,792.15
Add: Shares issued during the year - ESOP	1,23,750	12.38	9,85,993	98.60
At the end of the year	**8,90,31,293**	**8,903.13**	**8,89,07,543**	**8,890.75**
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	4,13,23,204	8,264.64	4,13,23,204	8,264.64
Add: preference shares issued during the year	-	-	-	-
At the end of the year	**4,13,23,204**	**8,264.64**	**4,13,23,204**	**8,264.64**

b) During the year, the Holding company has issued 123,750 shares (March 31, 2022 : 985,993) equity shares which were allotted to employees who exercised their options under ESOP scheme.

Information relating to Employee Stock Option Schemes including the details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 43.

c) Rights, preferences and restrictions attached to each class of shares

i) Equity shares

The Holding company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Holding company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. 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 interim dividend.

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

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

c) Rights, preferences and restrictions attached to each class of shares (contd)
ii) 0.0001% Compulsorily convertible preference shares:

0.0001% Compulsory Convertible Preference Shares ('CCPS') having a par value of INR 20 is convertible in the ratio of 1:1 and are treated pari passu with equity shares on all voting rights. The conversion shall happen at the option of the preference shareholders. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of red herring prospectus (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable law at the relevant time; and
b. The date which is 19 (nineteen) years from the date of allotment of CCPS.

Till conversion, the holders of CCPS shall be entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

d) There are no bonus shares, non-cash shares issued in the last 5 years.

e) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held	No. of shares	% held
Equity shares:				
Leapfrog Financial Inclusion India (II) Limited	2,99,52,665	33.64%	2,99,52,665	34.07%
Augusta Investments Pte II Ltd	2,26,30,995	25.42%	2,03,28,820	23.12%
Dvara Trust	99,29,257	11.15%	1,28,78,682	14.65%
Accion Africa Asia Investment Company	76,99,529	8.65%	76,99,529	8.76%
Sumitomo Mitsui Banking Corporation	70,04,364	7.87%	70,04,364	7.97%
	7,72,16,810	**86.73%**	**7,78,64,060**	**88.57%**
0.0001% Compulsorily convertible preference shares:				
Eight Roads Investments Mauritius (II) Limited	1,16,30,889	28.15%	1,16,30,889	28.15%
IIFL Special Opportunities Fund – Series 4	66,09,362	15.99%	66,09,362	15.99%
IIFL Special Opportunities Fund – Series 5	54,23,128	13.12%	54,23,128	13.12%
IIFL Special Opportunities Fund – Series 2	43,71,781	10.58%	43,71,781	10.58%
IIFL Special Opportunities Fund	41,61,142	10.07%	41,61,142	10.07%
IIFL Special Opportunities Fund – Series 7	36,93,947	8.94%	36,93,947	8.94%
Augusta Investments Pte II Ltd	32,56,115	7.88%	32,56,115	7.88%
	3,91,46,364	**94.73%**	**3,91,46,364**	**94.73%**

f) There are no shares shares held by promoters as at March 31, 2023 and March 31, 2022.
The determination /identification of promoters for the purpose of presentation under this disclosure has been done on the basis of information available with the group which has been solely relied upon by the auditors.

	As at March 31, 2023	As at March 31, 2022
22 Other equity		
a) Securities premium		
At the commencement of the year	85,510.51	83,897.43
Add: Premium received on shares issued during the year upon exercise of ESOP	168.51	1,613.08
At the end of the year	**85,679.02**	**85,510.51**
b) Statutory reserve		
At the commencement of the year	13,165.36	9,890.77
Add : Transfer from retained earnings	4,507.12	3,274.59
At the end of the year	**17,672.47**	**13,165.36**
c) Share based payment reserve		
At the commencement of the year	2,042.98	2,297.82
Add: Employee compensation expense during the year	141.61	320.67
Less:Transfer to retained earnings	(434.51)	-
Less:Transfer to securities premium on allotment of shares	(49.65)	(575.51)
At the end of the year	**1,700.43**	**2,042.98**
d) Retained earnings		
At the commencement of the year	51,340.89	37,462.26
Add: Profit for the year	23,001.06	17,249.97
Add: Other comprehensive income for the year	54.08	(146.14)
Add: Transfer from Share based payment reserve	434.51	-
Less: Transfer to statutory reserve	(4,507.12)	(3,274.59)
Add: Change in the ownership interest in subsidiaries/ funds resulting in change of control	(424.26)	49.39
At the end of the year	**69,899.16**	**51,340.89**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
e)	**Capital Redemption Reserve**		
	At the commencement of the year	3,467.00	3,467.00
	At the end of the year	**3,467.00**	**3,467.00**
f)	**Capital Reserve**		
	At the commencement of the year	3.57	3.57
	At the end of the year	**3.57**	**3.57**
g)	**Other comprehensive income - Financial instruments through OCI**		
	At the commencement of the year	3,170.00	4,538.09
	Less : Fair valuation of financial instrument (refer note (vii)(a) below)	(512.43)	(1,368.09)
	At the end of the year	**2,657.57**	**3,170.00**
h)	**Other comprehensive income - Cash Flow Hedge Reserve**		
	At the commencement of the year	(1,947.96)	(382.22)
	Less: Cash flow hedge reserve (refer note (vii)(b) below)	(756.41)	(1,565.74)
	At the end of the year	**(2,704.37)**	**(1,947.96)**
	Total (a+b+c+d+e+f+g+h)	**1,78,374.85**	**1,56,752.34**

Nature and purpose of reserve

(i) 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 Companies Act 2013.

(ii) Employee stock option outstanding

The Holding Company has established various equity settled share based payment plans for certain categories of employees of the Group. Refer Note 43 for the details about each of the schemes.

(iii) 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 pursuant to which a Non Banking Finance Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss account, before any dividend is declared. 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 finance company except for the purpose as may be specified by RBI.

(iv) Retained earnings

Surplus in the statement of profit and loss is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

(v) Capital reserve

Pursuant to Scheme of arrangement entered in the year ended March, 31, 2017, the Group has created a capital reserve in accordance with the applicable accounting standards.

(vi) Capital redemption reserve

The capital redemption reserve was created on account of the redemption of the cumulative non convertible compulsorily redeemable preference shares.

(vii) Other comprehensive income

a) The Group has elected to recognise changes in the fair value of loans and investments in other comprehensive income. These changes are accumulated within other equity - Financial Instruments through OCI. Amounts recognised as fair value is reclassified to the statement of profit and loss when the financial instrument affects profit or loss (e.g. interest receipts).

b) The Group 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. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

23 Additional information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries/ associates/ joint ventures

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
As at March 31, 2023								
Holding Company								
Northern Arc Capital Limited	98.55%	1,92,715.09	93.61%	22,672.67	74.22%	(1,084.80)	94.85%	21,587.87
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Investment Adviser Services Private Limited	0.18%	352.26	0.04%	9.35	0.00%	-	0.04%	9.35
Northern Arc Investment Managers Private Limited	2.38%	4,658.63	3.77%	912.84	0.75%	(10.97)	3.96%	901.87
IFMR Fimpact Long Term Credit Fund	4.30%	8,403.78	4.21%	1,019.08	10.30%	(150.55)	3.82%	868.53
Northern Arc Foundation	0.06%	110.79	(0.18%)	(44.30)	0.00%	-	(0.19%)	(44.30)
Northern Arc Capital Employee Welfare Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Northern Arc Securities Private Limited	0.05%	91.18	(0.03%)	(8.22)	0.00%	-	(0.04%)	(8.22)
Pragati Finserv Private Limited	0.73%	1,434.38	(1.72%)	(416.81)	1.54%	(22.52)	(1.93%)	(439.33)
Non-controlling interests in all subsidiaries	5.74%	11,230.43	5.13%	1,242.30	13.19%	(192.77)	4.61%	1,049.53
Eliminations	(11.99%)	(23,453.92)	(4.83%)	(1,165.37)	0.00%	-	(5.12%)	(1,165.37)
As at March 31, 2023	**100.00%**	**1,95,542.62**	**100.00%**	**24,221.54**	**100.00%**	**(1,461.61)**	**100.00%**	**22,759.93**
As at March 31, 2022								
Holding Company								
Northern Arc Capital Limited	98.32%	1,70,991.44	89.99%	16,372.93	81.39%	(2,724.34)	91.93%	13,648.59
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Investment Adviser Services Private Limited	0.20%	342.91	(0.03%)	(4.67)	0.01%	(0.47)	(0.03%)	(5.14)
Northern Arc Investment Managers Private Limited	2.16%	3,756.76	4.90%	890.81	0.52%	(17.26)	5.88%	873.55
IFMR Fimpact Long Term Credit Fund	6.09%	10,596.04	7.12%	1,295.37	10.10%	(337.90)	6.45%	957.47
Northern Arc Foundation	0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
Northern Arc Capital Employee Welfare Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Pragati Finserv Private Limited	1.08%	1,873.71	(2.09%)	(379.69)	0.00%	-	(2.56%)	(379.69)
Non-controlling interests in all subsidiaries	5.35%	9,303.40	5.19%	943.80	7.98%	(267.01)	4.56%	676.79
Eliminations	(13.20%)	(22,957.53)	(5.08%)	(924.78)	0.00%	-	(6.23%)	(924.78)
As at March 31, 2022	**100.00%**	**1,73,907.73**	**100.00%**	**18,193.77**	**100.00%**	**(3,346.98)**	**100.00%**	**14,846.79**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

24 Interest income

	Year ended March 31, 2023			Year ended March 31, 2022		
	On financial assets measured at		Total	On financial assets measured at		Total
	FVOCI	Amortised cost		FVOCI	Amortised cost	
Interest on loans	12,512.75	82,982.70	95,495.45	9,445.55	54,244.06	63,689.61
Interest from investments:						
- Pass through certificates	1,554.95	-	1,554.95	1,504.75	-	1,504.75
- Commercial paper	-	202.35	202.35	-	90.39	90.39
- Non-convertible debentures	15,685.28	-	15,685.28	11,737.97	-	11,737.97
Interest on deposits with banks	-	1,900.74	1,900.74	-	1,061.81	1,061.81
	29,752.98	**85,085.79**	**1,14,838.77**	**22,688.27**	**55,396.26**	**78,084.53**

	Year ended March 31, 2023	Year ended March 31, 2022
25 Fee and Commission income		
Revenue from contract with customers		
Income from guarantee facility	417.20	544.57
Income from other financial services		
- Professional fee	5,023.96	5,643.28
- Management fee	2,615.78	2,033.79
- Arranger fee for guarantee facility	206.24	238.27
Others	298.42	144.63
	8,561.60	**8,604.54**
Timing of revenue recognition:		
- That are recognised over a certain period of time	417.20	544.57
- That are recognised at a point of time	8,144.40	8,059.97
Geographical Market		
- In India	8,561.60	8,589.54
- Outside India	-	15.00
Contract balances		
- Trade receivables (net of ECL)	2,861.42	1,918.38
26 Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss		
On Alternative investment funds	2,728.01	2,467.30
On market linked debentures	(182.92)	1,080.86
On mutual fund investments	821.24	420.47
Profit on sale of investments in non-convertible debentures and pass-through certificates	1,696.12	296.24
	5,062.45	**4,264.87**
Fair value changes:		
-Realised	6,267.55	3,556.49
-Unrealised	(1,205.10)	708.38
	5,062.45	**4,264.87**
27 Other income		
Other non operating income	351.65	594.09
Interest Income from Income tax refund	149.83	106.44
Profit on sale of property, plant and equipment	23.87	-
Recovery from bad debts	97.63	-
	622.98	**700.53**
28 Finance costs		
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits	94.61	31.36
Interest on borrowings		
- Term loans from banks and Others	41,241.66	23,551.47
- Cash credits and overdraft	12.21	47.15
Interest on debt securities	11,580.67	14,417.88
Interest on lease liability	146.13	146.98
Amortisation of discount on commercial papers	1,037.81	1,333.65
Other borrowing costs	1,631.80	1,538.75
	55,744.89	**41,067.24**

29 Impairment on financial instruments

	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total for the year ended 31 March 2023	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total for the year ended 31 March 2022
Write off on financial instruments						
Loans	-	85.58	85.58	-	3,378.03	3,378.03
Investments	-	-	-	7,500.00	-	7,500.00
Less: Recovery	-	(266.70)	(266.70)	-	(189.37)	(189.37)
Impairment loss allowance on financial instruments						
Loans	809.46	3,157.43	3,966.89	(522.22)	(1,669.74)	(2,191.96)
Investments	(519.37)	1.21	(518.16)	(4,904.39)	(33.89)	(4,938.28)
Others	-	653.77	653.77	-	92.43	92.43
	290.09	**3,631.29**	**3,921.38**	**2,073.39**	**1,577.46**	**3,650.85**

		Year ended March 31, 2023	Year ended March 31, 2022
30	**Employee benefits expense**		
	Salaries, wages and bonus	13,178.06	8,692.74
	Contribution to provident fund	733.96	390.15
	Employee share option expenses (Refer Note 43)	157.44	320.67
	Gratuity Expenses (refer note 42)	255.98	125.16
	Staff welfare expenses	567.01	265.45
		14,892.45	**9,794.17**
31	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (refer note 11.1)	412.69	179.54
	Depreciation on right of use asset (refer note 11.2 and 35)	297.81	481.96
	Amortisation on goodwill (refer note 11.5)	89.38	-
	Amortisation of intangible assets (refer note 11.4)	404.55	295.94
		1,204.43	**957.44**
32	**Other expenses**		
	Rent	987.68	448.67
	Rates and taxes	19.44	5.26
	Travelling and conveyance	1,068.45	351.88
	Legal and professional charges	4,808.22	3,269.76
	Distribution fee expense	527.24	318.08
	Loss on sale of investment	-	127.13
	Auditors' remuneration (refer note 32.1 below)	152.81	132.81
	Directors' sitting fees	72.77	71.84
	Net Loss on fair value changes	121.37	-
	Repairs and maintenance	1,001.41	552.68
	Communication expenses	242.61	116.79
	Printing and stationery	106.36	19.70
	Subscription charges	325.19	105.46
	Advertisement and business promotion	535.40	133.71
	Corporate social responsibility expenditure (refer note 32.2 below)	320.25	243.05
	Bank charges	160.92	46.66
	Operating expenses to Funds	409.49	51.11
	Miscellaneous expenses	45.41	78.07
		10,905.02	**6,072.66**

		Year ended March 31, 2023	Year ended March 31, 2022
32.1	**Payments to auditor (excluding service tax / goods and services tax)**		
	- Auditor of Holding Company		
	Statutory audit (including limited review)	137.54	125.10
	Tax audit	2.00	2.00
	Other services	1.00	4.00
	Reimbursement of expenses	9.22	0.01
		149.76	**131.11**

Note:
1. Payment to auditors towards statutory audit including limited review above includes INR. 33.80 lakhs paid to predecessor auditors during financial year 2021-22.
2. Excludes remuneration to predecessor auditor during FY 2021-22 for services in connection with proposed initial public offer of equity shares of the Holding Company, which is included as prepaid expenses in other financial assets.

	Year ended March 31, 2023	Year ended March 31, 2022
- Other Auditor		
Statutory audit	2.30	1.20
Tax audit	0.75	
Other services	-	0.50
	3.05	**1.70**
Total Auditors' remuneration	**152.81**	**132.81**

		Year ended March 31, 2023	Year ended March 31, 2022
32.2	**Corporate social responsibility ("CSR") expenditure**		
	(a) Gross amount required to be spent by the Group during the year	298.07	243.05
	(b) Amount approved by the Board to be spent during the year	366.32	236.08
	(c) Amount spent during the year (in cash) :		
	(i) Construction/ acquisition of any asset	-	-
	(ii) On purposes other than (i) above		
	- In Cash	369.82	250.16
	- Other than cash	-	-
	(d) Details related to spent / unspent obligations:		
	Contribution to Public Trust	-	-
	Contribution to Charitable Trust	369.82	250.16
	Unspent amount in relation to:		
	- Ongoing project	-	-
	- Other than ongoing project	-	-

The primary nature of expenses include commissioning of in-depth financial inclusion survey and developing a financial inclusion index/ metric, enhancement of amenities to government schools and transfer of funds to the CSR arm of the Company being the Northern Arc Foundation from where the ultimate spend would be monitored.

(e) In case of S. 135(5) (Other than ongoing project):		
Opening balance	49.96	42.85
Amount deposited in SpecifiedFund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	(298.07)	(243.05)
Amount spent during the year	369.82	250.16
Closing Balance	**121.71**	**49.96**

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
32.3	**a) Expenditure in foreign currency**		
	Processing fee on borrowings	573.78	205.83
	Legal and professional expense	357.06	78.43
	Total	**930.84**	**284.26**

b) There are no remittances in foreign currency

c) There are no dividend paid in foreign currency

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

32.4 The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

33 Income tax

A. The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Profit or loss section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
i) current income tax charge	9,702.26	5,050.20
ii) Adjustments in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	(1,801.24)	1,594.92
Income tax expense reported in the statement of profit and loss	**7,901.02**	**6,645.12**

OCI section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax on		
Remeasurements of the defined benefit asset/ (liability)	(26.59)	49.17
Fair valuation of Financial Instruments through OCI (Net)	140.74	346.56
Net movement on Effective portion of Cash Flow Hedges	254.44	526.65
Deferred tax charged to OCI	**368.59**	**922.38**

B. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and 2022 is, as follows:-

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	32,122.56	24,838.89
Less/(Add): Exempted profit	(1,242.30)	(943.80)
Profit before tax attributable to equity holders	30,880.26	23,895.09
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	**7,772.56**	**6,014.39**
Effect of difference in tax expenditure due to differential tax rates applicable for subsidiaries *	0.03	0.03
Permanent differences		
- Provision for Corporate Social Responsibility	128.43	630.70
Tax expenses recognised in the statement of profit and loss	**7,901.02**	**6,645.12**
Effective tax rate	25.59%	27.81%

Note: The Company and its subsidiary (Northern Arc Investment Managers Private Limited) has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the year ended 31 March 2023.

* Tax rates applicable for subsidiaries are as follows

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Northern Arc Investment Managers Private Limited	25.17%	25.17%
Northern Arc Investment Adviser Services Private Limited	26.00%	26.00%

C. 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	Other comprehensive income	MAT utilization	As at March 31, 2023
Component of Deferred tax asset / (liability)					
Deferred tax asset / (liability) in relation to:					
Property plant and equipment	26.23	(25.02)	-	-	1.21
Impact of fair value on financial assets measured at FVTPL	(887.03)	324.92	-	-	(562.11)
Impact of fair value on financial assets measured at FVOCI	1,216.26	-	448.16	-	1,664.42
Impairment on financial assets	398.63	1,045.53	-	-	1,444.16
Provision for employee benefits	269.08	19.14	(26.59)	-	261.63
Unamortised component of processing fee	264.59	760.61	-	-	1,025.20
EIS Receivable	-	(350.54)	-	-	(350.54)
Minimum alternative tax	9.05	-	-	4.84	13.89
Total	**1,296.81**	**1,774.64**	**421.57**	**4.84**	**3,497.86**

Particulars	As at March 31, 2021	Statement of profit and loss	Other comprehensive income	MAT utilization	As at March 31, 2022
Component of Deferred tax asset / (liability)					
Deferred tax asset / (liability) in relation to:					
Property plant and equipment	(17.02)	43.25	-	-	26.23
Impact of fair value on financial assets measured at FVTPL	(778.76)	(108.27)	-	-	(887.03)
Impact of fair value on financial assets measured at FVOCI	343.05	-	873.21		1,216.26
Impairment on financial assets	1,926.21	(1,527.58)	-	-	398.63
Provision for employee benefits	187.10	32.81	49.17	-	269.08
Unamortised component of processing fee	307.63	(43.04)	-	-	264.59
EIS Receivable	(7.91)	7.91	-	-	-
Minimum alternative tax	13.80	-	-	(4.75)	9.05
Total	**1,974.10**	**(1,594.92)**	**922.38**	**(4.75)**	**1,296.81**

34 Earnings per share ('EPS')

	Year ended March 31, 2023	Year ended March 31, 2022
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	23,001.06	17,249.97
Net profit attributable to equity shareholders for calculation of diluted EPS	23,001.06	17,249.97
Shares		
Equity shares at the beginning of the year	8,89,07,543	8,79,21,550
Shares issued during the year	1,23,750	9,85,993
Total number of equity shares outstanding at the end of the year	8,90,31,293	8,89,07,543
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	8,89,68,868	8,83,86,489
Options granted	20,58,026	20,58,933
Compulsory convertible preference shares	4,13,23,204	4,13,23,204
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	13,23,50,098	13,17,68,626
Face value per share	10.00	10.00
Earnings per share		
Basic	25.85	19.52
Diluted	17.38	13.09

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

35 Leases

The Group has operating lease agreement primarily for office premises. The leases typically run for a period of 1 to 10 years, with an option to extend the lease or terminate, either at the option of lessee or lessor or on mutual agreement. The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

(i) Movement in carrying value of right of use assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	**1,121.79**	**985.44**
Additions during the year	134.35	722.49
Acquisition of business (Refer note 48)	8.37	-
Depreciation	297.81	481.96
Derecognition on termination of lease	-	104.18
Closing balance	**966.70**	**1,121.79**

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	**1,429.21**	**1,127.38**
Additions during the year	142.72	722.48
Interest on lease liabilities	146.13	146.98
Rent payment	(551.70)	(422.48)
Derecognition on termination of lease	-	(145.15)
Closing balance	**1,166.36**	**1,429.21**

(iii) Amounts recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Depreciation charge for right-of-use assets	297.81	481.96
b) Interest expense (included in finance cost)	146.13	146.98
c) Expense relating to short-term leases	987.68	448.67
d) Gain recognised on derecognition of leases	-	40.97
e) Rent concession related to COVID-19	-	3.10

(iv) Cash Flows

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
The total cash outflow of leases	515.64	(198.94)

(v) Maturity analysis of undiscounted lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Not later than one year	445.13	527.18
Later than one year and not later than five years	511.48	1,035.12
Later than five years	209.76	332.09

Lease liabilities are recognised at weighted average incremental borrowing rate ranging between 9.70% and 14.25%.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

36 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. Derivatives have been classified to mature and/ or be repaid within 12 months, regardless of the actual contractual maturities of the products. 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, 2023			As at March 31, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	23,233.95	-	23,233.95	71,517.38	-	71,517.38
Bank balances other than cash and cash equivalents	8,188.07	10,837.80	19,025.87	7,309.29	1,425.15	8,734.44
Derivative financial instruments	-	6,104.84	6,104.84	41.85	110.00	151.85
Trade receivables	2,861.42	-	2,861.42	1,918.38	-	1,918.38
Loans	5,00,946.37	1,87,914.20	6,88,860.57	3,35,319.74	1,85,555.79	5,20,875.53
Investments	68,399.86	1,07,873.50	1,76,273.36	75,028.30	1,01,546.81	1,76,575.11
Other financial assets	4,338.53	720.43	5,058.96	6,615.43	349.99	6,965.42
Current tax assets (net)	-	2,911.60	2,911.60	-	4,208.70	4,208.70
Deferred tax assets (net)	-	3,517.88	3,517.88	-	1,369.07	1,369.07
Property, plant and equipment	-	381.46	381.46	-	195.33	195.33
Intangible assets under development	-	98.87	98.87	-	28.44	28.44
Intangible assets	-	1,337.09	1,337.09	-	942.97	942.97
Investmentes in Associate	-	2,726.64	2,726.64			-
Right of use asset	-	966.70	966.70		1,121.79	1,121.79
Goodwill	-	2,407.02	2,407.02	-	174.63	174.63
Other non- financial assets	1,390.89	-	1,390.89	2,522.24	110.18	2,632.42
Total Assets	**6,09,359.09**	**3,27,798.03**	**9,37,157.12**	**5,00,272.61**	**2,97,138.85**	**7,97,411.46**
Liabilities						
Derivative financial instruments	-	227.59	227.59	17.33	626.49	643.82
Trade payables						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	10,961.20	-	10,961.20	5,581.73	-	5,581.73
Debt securities	50,498.48	71,933.07	1,22,431.55	73,261.88	61,097.80	1,34,359.68
Borrowings (Other than debt secuities)	2,61,729.03	3,15,300.83	5,77,029.86	2,14,005.71	2,45,936.90	4,59,942.61
Subordinated liabilities	3,995.07	-	3,995.07	-	3,993.47	3,993.47
Other financial liabilities	9,204.23	1,815.07	11,019.30	5,845.74	848.61	6,694.35
Provisions	2,064.89	1,270.46	3,335.35	1,334.89	910.80	2,245.69
Deferred tax liabilities (net)	-	20.02	20.02	-	72.26	72.26
Other non-financial liabilities	1,308.92	55.21	1,364.13	617.12	49.60	666.72
Total Liabilities	**3,39,761.82**	**3,90,622.25**	**7,30,384.07**	**3,00,664.40**	**3,13,535.93**	**6,14,200.33**
Total equity			**2,06,773.05**			**1,83,211.13**

36A Change in Liabilities arising from financing activities

Particulars	**As at April 1, 2022**	**Cash flows**	**Exchange difference**	**Others***	**New Leases**	**As at March 31, 2023**
Debt Securities	1,34,359.68	(12,180.78)	-	252.65	-	1,22,431.55
Borrowings (other than debt securities)	4,59,942.61	1,07,594.16	7,415.38	2,077.71	-	5,77,029.86
Sub-ordinated Liabilities	3,993.47	-	-	1.60	-	3,995.07
Lease Liabilities	1,429.21	(515.64)	-	110.07	142.72	1,166.36

Particulars	**As at April 1, 2021**	**Cash flows**	**Exchange difference**	**Others***	**New Leases**	**As at March 31, 2022**
Debt Securities	1,63,956.78	(30,930.75)	-	1,333.65	-	1,34,359.68
Borrowings (other than debt securities)	2,25,258.31	2,32,841.24	2,929.09	(1,086.03)	-	4,59,942.61
Sub-ordinated Liabilities	3,988.79	-	-	4.68	-	3,993.47
Lease Liabilities	1,127.38	198.94	-	(619.59)	722.48	1,429.21

*Others includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees, decrease in lease liability on account of termination.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

36 A Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately

Particulars	As at March 31, 2023					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	21,230.24	2,003.71	-	-	-	23,233.95
Bank balances other than cash and cash equivalents	2.69	1,257.32	6,867.39	10,898.47	-	19,025.87
Derivative financial instruments	-	-	-	6,104.84	-	6,104.84
Trade receivables	-	2,861.42	-	-	-	2,861.42
Loans	-	2,14,608.15	3,56,780.10	2,25,343.04	14,097.81	8,10,829.10
Investments	-	22,027.24	56,244.68	1,12,699.93	5,890.80	1,96,862.65
Other financial assets	-	2,049.25	1,171.39	365.25	106.64	3,692.53
Total undiscounted financial assets*	**21,232.93**	**2,44,807.09**	**4,21,063.56**	**3,55,411.53**	**20,095.25**	**10,62,610.36**
Financial Liabilities						
Derivative financial instruments	-	-	-	227.59	-	227.59
Trade payables			-			-
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	10,961.20	-	-	-	10,961.20
Debt securities	-	17,582.58	39,828.75	85,668.28	-	1,43,079.61
Borrowings (Other than debt securities)	-	1,02,358.43	1,93,251.19	3,38,957.70	-	6,34,567.32
Subordinated liabilities	-	4,099.97	-	-	-	4,099.97
Other financial liabilities	507.88	8,137.78	1,395.14	846.18	35.01	10,921.99
Total undiscounted financial liabilities*	**507.88**	**1,43,139.96**	**2,34,475.08**	**4,25,699.75**	**35.01**	**8,03,857.68**
Net undiscounted financial assets/(liabilities) *	**20,725.05**	**1,01,667.13**	**1,86,588.48**	**(70,288.22)**	**20,060.24**	**2,58,752.68**
*** Excludes gross settled derivatives not held for trading**						

Particulars	As at March 31, 2022					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	24,190.02	47,327.36	-	-	-	71,517.38
Bank balances other than cash and cash equivalents	2.69	2,440.58	4,866.03	1,425.14	-	8,734.44
Derivative financial instruments	-	-	41.85	110.00	-	151.85
Trade receivables	-	1,918.38	-	-	-	1,918.38
Loans	-	1,42,464.35	2,64,879.71	1,81,537.08	153.19	5,89,034.33
Investments	-	21,199.04	55,783.60	95,349.10	5,629.95	1,77,961.69
Other financial assets	285.09	6,543.71	6.24	250.41	82.18	7,167.63
Total undiscounted financial assets*	**24,477.80**	**2,21,893.42**	**3,25,577.43**	**2,78,671.73**	**5,865.32**	**8,56,485.70**
Financial Liabilities						
Derivative financial instruments	-	-	17.33	626.49	-	643.82
Trade payables						
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	5,581.73	-	-	-	5,581.73
Debt securities	-	36,679.04	42,088.93	72,240.96	-	1,51,008.93
Borrowings (Other than debt securities)	1,427.86	77,000.05	1,63,033.38	2,71,686.93	-	5,13,148.22
Subordinated liabilities	-	102.22	307.78	4,099.97	-	4,509.97
Other financial liabilities	1,944.56	3,175.20	725.98	751.46	1,212.70	7,809.90
Total undiscounted financial liabilities*	**3,372.42**	**1,22,538.24**	**2,06,173.40**	**3,49,405.81**	**1,212.70**	**6,82,702.57**
Net undiscounted financial assets/(liabilities) *	**21,105.38**	**99,355.18**	**1,19,404.03**	**(70,734.08)**	**4,652.62**	**1,73,783.13**
*** Excludes gross settled derivatives not held for trading**						

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

37 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosures are provided in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The Following methodologies and assumptions were used to estimate the fair values of the financial assets or liabilities

i) The fair value of Loans are primarily variable rate instruments. Accordingly, the fair value has been assumed to be equal to the carrying amount..

ii) The fair value of debt securities, borrowings and subordinated liabilities are primarily variable rate instruments. Accordingly, the fair value has been assumed to be equal to the carrying amount.
iii) The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
iv) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.
iv) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.
v) There has been no transfer in between level I and level II.

Financial instruments by category

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

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	1,82,829.41	-	-	1,82,829.41	1,82,829.41
Investments						
- Pass through certificates	-	13,120.35	-	-	13,120.35	13,120.35
- Non convertible debentures	-	1,07,855.07	-	-	1,07,855.07	1,07,855.07
- Market Linked debentures	29,357.54	-	-	-	29,357.54	29,357.54
- Alternate Investment Funds	14,301.93	-	-	-	14,301.93	14,301.93
- Commercial Papers		3,409.24	-	-	3,409.24	3,409.24
- Share warrants	1.62	-	-	-	1.62	1.62
- Mutual funds	970.23	-	970.23	-	-	970.23
Derivative financial instruments	-	6,104.84	-	-	6,104.84	6,104.84
Financial liabilities:						
Derivative financial instruments	-	227.59	-	-	227.59	227.59

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2022 were as follows:

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	97,879.98	-	-	97,879.98	97,879.98
Investments						
- Pass-through certificates	-	14,504.11	-	-	14,504.11	14,504.11
- Non convertible debentures	-	1,06,263.36	-	-	1,06,263.36	1,06,263.36
- Market Linked debentures	25,159.28				25,159.28	25,159.28
- Alternative Investment Funds	27,359.73	-	-	-	27,359.73	27,359.73
- Share warrants	1.62	-	-	-	1.62	1.62
- Mutual funds	2,293.32	-	2,293.32	-	-	2,293.32
Derivative financial instruments	-	151.85	-	-	151.85	151.85
Financial liabilities:						
Derivative financial instruments	-	643.82	-	-	643.82	643.82

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Financial assets measured at FVOCI		
Balance at the beginning of the year	2,968.26	4,949.92
Total gains measured through OCI for additions made during the year	(900.02)	(1,981.66)
Balance at the end of the year	**2,068.24**	**2,968.26**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Financial assets measured at FVTPL		
Balance at the beginning of the year	27,361.35	22,496.07
Total gains measured through OCI for additions made during the year	(13,057.80)	4,865.28
Balance at the end of the year	**14,303.55**	**27,361.35**

Sensitivity analysis - Increase/ decrease of 100 basis points

	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	1,828.29	(1,828.29)	978.80	(978.80)
Investments				
- Pass through securities	131.20	(131.20)	145.04	(145.04)
- Non convertible debentures	1,078.55	(1,078.55)	1,062.63	(1,062.63)
- Market Linked debentures	293.58	(293.58)	-	-
- Alternative Investment Funds	143.02	(143.02)	273.60	(273.60)
- Investment in Government securities	-	-	-	-
- Mutual funds	9.70	(9.70)	22.93	(22.93)
- Share warrants	0.02	(0.02)	0.02	(0.02)
Derivative financial instruments	61.05	(61.05)	1.52	(1.52)
Financial liabilities:				
Derivative financial instruments	2.28	(2.28)	6.44	(6.44)

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

A Fair value measurement

The carrying value and fair value of other financial instruments by categories as of March 31, 2023 were as follows:

Particulars	Carrying Value Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	23,233.95	-	-	23,233.95	23,233.95
Bank balances other than cash and cash equivalents	19,025.87	-	-	19,025.87	19,025.87
Trade receivables	2,861.42	-	-	2,861.42	2,861.42
Loans	5,14,933.32	-	-	5,15,041.82	5,15,041.82
Investments	7,258.59	-	-	7,258.59	7,258.59
Other financial assets	5,058.96	-	-	5,058.96	5,058.96
Financial liabilities not measured at fair value:					
Trade payables					
-total outstanding dues of micro and small enterprises	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	10,961.20	-	-	10,961.20	10,961.20
Debt securities	1,22,431.55	-	-	1,22,431.55	1,22,431.55
Borrowings (Other than debt securities)	5,77,029.86	-	-	5,77,029.86	5,77,029.86
Subordinated liabilities	3,995.07	-	-	3,995.07	3,995.07
Other financial liabilities	11,019.30	-	-	11,019.30	11,019.30

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Carrying Value Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	71,517.38	-	-	71,517.38	71,517.38
Bank balances other than cash and cash equivalents	8,734.44	-	-	8,734.44	8,734.44
Trade receivables	1,918.38	-	-	1,918.38	1,918.38
Loans	4,28,767.26	-	-	4,29,610.37	4,29,610.37
Other financial assets	6,965.42	-	-	6,965.42	6,965.42
Financial liabilities not measured at fair value:					
Trade payables					
-total outstanding dues of micro and small enterprises	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	5,581.73	-	-	5,581.73	5,581.73
Debt securities	1,34,359.68	-	-	1,34,359.68	1,34,359.68
Borrowings (Other than debt securities)	4,59,942.61	-	-	4,59,942.61	4,59,942.61
Subordinated liabilities	3,993.47	-	-	3,993.47	3,993.47
Other financial liabilities	6,694.35	-	-	6,694.35	6,694.35

Note:
For all of the financial assets and liabilities which are not carried at fair value, the carrying amounts approximates the fair values except for loans where considering the limited / lack of availability of observable inputs for fair valuation and considering the nature of such items / transactions, management has disclosed the carrying amounts as the fair values.

B Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group's adjusted gearing ratio is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Debt securities	1,22,431.55	1,34,359.68
Borrowings (other than debt securities)	5,77,029.86	4,59,942.61
Subordinated liabilities	3,995.07	3,993.47
Less: cash and cash equivalents	(23,233.95)	(71,517.38)
Adjusted net debt	**6,80,222.53**	**5,26,778.38**
Total equity	2,06,773.05	1,83,211.13
Gearing ratio	3.29	2.88

The Holding 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 Holding 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.

Regulatory capital of the holding company

Particulars	Carrying amount As at March 31, 2023	Carrying amount As at March 31, 2022
Tier I Capital	1,81,902.83	1,62,630.79
Tier II Capital	5,620.28	5,182.95
Total Capital	**1,87,523.12**	**1,67,813.74**
Risk weighted assets	9,02,860.91	7,36,418.31
Tier I Capital Ratio (%)	20.15%	22.08%
Tier II Capital Ratio (%)	0.62%	0.71%
Total Capital (%)	**20.77%**	**22.80%**
Amount of subordinated debt raised as Tier-II capital	-	800.00
Amount raised by issue of perpetual debt instruments	-	-

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

38 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings from banks, issue of debentures and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

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

Risk management framework

The Groups's board of directors and risk management committee has overall responsibility for the establishment and oversight of the Groups's risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Groups's risk management policies.

The Groups's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(I) Credit risk

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

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

Loans

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

Particulars	Carrying Amount As at March 31, 2023	 As at March 31, 2022
Term loans	6,97,762.73	5,26,647.24
Less : Impairment loss allowance	(8,902.16)	(5,771.71)
	6,88,860.57	**5,20,875.53**

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.

Staging:

As per the provision of Ind AS 109 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 Group 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 lifetime of the instrument.

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

Days past dues	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

Grouping

As per Ind AS 109, the Group categorises the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:
- Loans
- Guarantees to pooled issuances
- Other guarantees
- Undrawn exposure
- Second loss credit enhancement
- Investments in pass through securities
- Investments in non convertible debentures

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 probity is low. ECL is calculated based on the following components:
a. Marginal probability of default ("MPD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), internal rating matrix model, pluto tasche model, markov chains model and net flow rate model were used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Group has worked out on PD based on the last four years historical data.

Marginal probability:

The PDs derived from the autoregressive integrated moving average model (ARIMA), are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.
The probability of default was calculated for 3 scenarios: upside, downside and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

(I) Credit risk (Continued)

LGD
LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Considering the low expertise in default and recovery, the Group has considered an LGD of 65% as recommended by the Foundation Internal Ratings Based (FIRB) approach under Basel II guidelines issued by RBI.

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

The Group has considered expected cash flows , undrawn exposures and second loss credit enhancement (SLCE) for all the loans at DPD bucket level for each of the risk segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:
As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:
Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
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, 2023	As at March 31, 2022
Stage 1	12 month provision	5,201.35	3,323.31
Stage 2	Life time provision	494.51	441.23
Stage 3	Life time provision	3,206.30	2,007.17
Amount of expected credit loss provided		**8,902.16**	**5,771.71**

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 Group’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.

Particulars	As at March 31, 2023	As at March 31, 2022
ECL allowance - opening balance	**5,771.71**	**7,424.80**
Addition during the year	3,071.85	3,394.68
Reversal during the year	144.18	(1,669.74)
Write offs during the year	(85.58)	(3,378.03)
Closing provision of ECL	**8,902.16**	**5,771.71**

Analysis of credit quality of exposure, changes in the gross carrying amount of loans and the corresponding ECL allowance in relation to Loans:
Credit quality of exposure

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	6,85,788.16	5,272.09	-	6,91,060.25	5,15,210.14	8,184.54	-	5,23,394.68
Sub-standard	-	-	6,702.48	6,702.48	-	-	3,252.56	3,252.56
Total	**6,85,788.16**	**5,272.09**	**6,702.48**	**6,97,762.73**	**5,15,210.14**	**8,184.54**	**3,252.56**	**5,26,647.24**

Changes in gross carrying amount

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**5,15,210.14**	**8,184.54**	**3,252.56**	**5,26,647.24**	**3,50,876.90**	**26,717.72**	**3,906.86**	**3,81,501.48**
New assets originated *	5,22,044.83	3,698.15	2,588.00	5,28,330.98	3,03,961.19	1,209.37	238.81	3,05,409.37
Asset derecognised or repaid	(3,41,635.62)	(6,378.03)	(637.68)	(3,48,651.33)	(1,34,963.70)	(21,547.72)	(377.16)	(1,56,888.58)
Transfer from stage 1	(11,251.26)	1,295.39	2,610.73	(7,345.14)	(4,664.25)	3,827.29	839.96	3.00
Transfer from stage 2	1,417.49	(1,529.43)	390.51	278.57	-	(812.40)	812.40	-
Transfer from stage 3	2.58	1.47	(1,501.64)	(1,497.59)	-	-	-	-
Write offs	-	-	-	-	-	(1,209.72)	(2,168.31)	(3,378.03)
As at the end of the year	**6,85,788.16**	**5,272.09**	**6,702.48**	**6,97,762.73**	**5,15,210.14**	**8,184.54**	**3,252.56**	**5,26,647.24**

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

Reconciliation of ECL Balance

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**3,348.21**	**416.34**	**2,007.16**	**5,771.71**	**4,259.64**	**962.74**	**2,202.42**	**7,424.80**
New assets originated	2,279.06	249.77	108.33	2,637.16	2,279.06	-	-	2,279.06
Asset derecognised or repaid	(2,960.09)	(104.06)	(65.44)	(3,129.59)	(2,960.09)	557.06	1,848.91	(554.12)
Transfer from stage 1	(235.37)	27.81	1,085.42	877.86	(235.37)	126.60	108.77	-
Transfer from stage 2	4.97	(95.35)	70.83	(19.55)	4.97	(20.34)	15.37	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	(1,209.72)	(2,168.31)	(3,378.03)
As at the end of the year	**5,201.35**	**494.51**	**3,206.30**	**8,902.16**	**3,348.21**	**416.34**	**2,007.16**	**5,771.71**

Collateral and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are, vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

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.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

38 Financial risk management objectives and policies (Continued)

B. *Investments*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The exposure to credit risk for investments is to other non-banking finance companies and financial institutions.

The risk committee has established a credit policy under which each new investee pool is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc. For investments the collateral is the underlying loan pool purchased from the financial institutions.

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 investments are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. Further, the risk management committee periodically assesses the credit rating information.

Analysis of credit quality of exposure and changes in the gross carrying amount of Investments

Credit quality of exposure

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	1,76,274.57	-	-	1,76,274.57	1,75,844.38	481.66	-	1,76,326.04
Sub-standard	-	-	-	-	-	-	249.07	249.07
Total	**1,76,274.57**	**-**	**-**	**1,76,274.57**	**1,75,844.38**	**481.66**	**249.07**	**1,76,575.11**

Changes in gross carrying amount

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,75,844.38**	**481.66**	**249.07**	**1,76,575.11**	**1,34,695.07**	**649.04**	**7,787.63**	**1,43,131.74**
New assets originated *	1,15,018.59	141.67	-	1,15,160.26	1,15,018.59	141.67	-	1,15,160.26
Asset derecognised or repaid	(1,14,588.40)	(623.33)	(249.07)	(1,15,460.80)	(73,869.28)	(309.05)	(38.56)	(74,216.89)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	(7,500.00)	(7,500.00)
As at the end of the year	**1,76,274.57**	**-**	**-**	**1,76,274.57**	**1,75,844.38**	**481.66**	**249.07**	**1,76,575.11**

C. *Cash and cash equivalent and Bank deposits*

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group 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 Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The table below summarises the maturity profile of the Group's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
As at March 31, 2023								
Borrowings	32,959.78	32,452.44	34,537.09	64,735.17	1,01,038.61	2,71,947.52	43,354.32	-
Debt securities	4,079.48	3,465.69	11,621.70	18,340.18	12,991.43	56,861.43	15,071.65	-
Subordinated liabilities	-	-	4,000.00	-	-	-	-	-
As at March 31, 2022								
Borrowings	21,910.72	29,784.97	19,311.56	76,658.29	66,074.14	2,05,294.46	40,198.92	-
Debt securities	7,856.88	7,250.00	21,978.57	19,416.67	16,759.76	50,115.42	12,025.71	-
Subordinated liabilities	-	-	-	-	-	4,000.00	-	-

Note:
- The balances are gross of accrued interest and unamortised borrowing costs.
- Estimated expected cashflows considering the moratorium availed from lenders.

(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.

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate lending. Whenever there is a change in borrowing interest rate for the Group, 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 interest rate profile of the Group's interest bearing financial instruments is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial Assets	2,92,583.52	1,41,282.90
Financial Liabilities	2,21,838.48	3,33,162.77
	5,14,422.00	**4,74,445.67**
Variable rate instruments		
Financial Assets	4,16,761.70	4,37,575.34
Financial Liabilities	4,81,618.00	2,65,133.00
	8,98,379.70	**7,02,708.34**

Sensitivity analysis of interest rate - Increase/ decrease of 100 basis points

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Bank deposits	203.15	(203.15)	565.92	(565.92)
Loans	3,964.46	(3,964.46)	3,809.83	(3,809.83)
Borrowings	(4,816.18)	4,816.18	(2,651.33)	2,651.33

(iv) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group manages this foreign currency risk by entering into cross currency interest rate swaps. When a derivative is entered into for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till payment.

The Group holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilites in active markets or inputs that are directly or indirectly observable in market place.

(v) Analysis of risk concentration

The Group's concentrations of risk are managed by client/counterparty and industry sector. The maximum credit exposure to any individual client or counterparty as of March 31, 2023 was INR 20,782.08 Lakhs (As at March 31, 2022: INR 21,140.23 Lakhs)

(vi) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:
a. For corporate and small business lending, charges over trade receivables and
b. For retail lending, collateral in the form of first loss guarantee is obtained from the servicing entity or over identified fixed asset of the borrower

Management monitors the market value of collateral and will request for additional collateral in accordance with the underlying agreement. In its normal course of business, the Group does not physically repossess assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the assets under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

(vii) Price risk

The Group is exposed to price risk arising from investment in mutual funds and classified in the balance sheet at fair value through profit & loss. If the NAV of the mutual fund had been higher/lower by 1% from market price existing as at March 31, 2023, profit or loss(pre-tax) for the year ended March 31, 2023 would increase/decrease by Rs. 0.29 lakhs (Previous Year: NIL exposure) with a corresponding increase/decrease in the Total Equity of the Group as at March 31, 2023.

		As at March 31, 2023	As at March 31, 2022
39	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	28,550.00	800.00
	Undrawn committed sanctions to borrowers	13,733.83	40,569.55
40	**Contingent liabilities**		
	Claims against the Group not acknowledged as debt		
	- Income tax related matters	440.58	440.58
	Guarantees outstanding	16,388.20	23,716.43

i. Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books. Also refer note 19.
ii. Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed in above note.

Matters wherein management is confident of suceeding in these litigations and have concluded the Group's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims in different stages of process

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

Under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is NIL. The disclosure provided below are based on the information and records maintained by the management and have been relied upon by the auditor.

	Particulars	**As at March 31, 2023**	**As at March 31, 2022**
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.	-	-

42 Retirement Benefit Plan

Defined contribution plans
The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group'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 733.96 lakhs (March 31, 2022: INR 390.15 lakhs).

Defined benefit plans
The Group's gratuity benefit scheme is a defined plan. The Group'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 Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

42 Employee benefits (continued)

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

A. Change in present value of obligations	**As at March 31, 2023**	**As at March 31, 2022**
Present value of obligations at the beginning of the year	746.40	468.40
Current service cost	200.92	97.58
Interest cost	55.06	27.58
Benefits settled	(234.40)	(42.47)
Acquisition of business (Refer note 48)	367.22	-
Actuarial (gain) / loss recognised in the other comprehensive income	-	-
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	(102.52)	48.50
-Experience adjustment	21.85	146.81
Present value of obligations at the end of the year	**1,054.53**	**746.40**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (loss)	-	-
Employer contributions	234.40	42.47
Benefits paid	(234.40)	(42.47)
Fair value of plan assets at the end of the year	**-**	**-**
C. Actual Return on plan assets		
Expected return on plan assets	-	-
Actuarial gains/ (loss) on plan assets	-	-
Actual return on plan assets	**-**	**-**
D. Reconciliation of present value of the obligation and the fair value of the plan assets		
Change in projected benefit obligation		
Present value of obligations at the end of the year	1,054.53	746.40
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**1,054.53**	**746.40**
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	172.21	129.15
Non-current	882.32	617.25
	1,054.53	**746.40**

	Year ended March 31, 2023	**Year ended March 31, 2022**
E. Expense recognised in statement of profit and loss		
Current service cost	200.92	97.58
Interest on obligation	55.06	27.58
Total included in statement of profit and loss	**255.98**	**125.16**

	Year ended March 31, 2023	**Year ended March 31, 2022**
F. Remeasurements recognized in other comprehensive income		
Net actuarial loss recognised in the year	(80.67)	195.31
Total included in other comprehensive income	**(80.67)**	**195.31**

	Year ended March 31, 2023	**Year ended March 31, 2022**
G. Assumptions at balance sheet date		
Discount rate	7.14% to 7.33%	6.2% to 7.18%
Salary escalation	5% to 8%	5% to 10%
Attrition rate	2% to 23%	1% to 20%

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 the estimated term of the obligation.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

42 Employee benefits (continued)

G. 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.

	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	577.56	716.94	712.37	783.70
Future salary growth (1% movement)	628.16	778.08	785.33	710.20
Attrition rate (1% movement)	595.77	737.06	737.76	753.87

Additional disclosures required under Ind AS 19

Particulars	As at March 31, 2023	As at March 31, 2022
Average duration of defined benefit obligation (in years)	4.6 to 6.9 years	5.4 to 9 years
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	122.77	109.75
Year 2	129.82	116.51
Year 3	106.73	102.55
Year 4	138.91	93.32
Year 5	97.76	122.94
Next 5 years	293.48	276.86
Exected benefit payments for the next annual reporting year	122.77	109.75

43 Share Based Payaments

Employee Stock Option Plan 2016 (ESOP) has been approved by the Board at its meeting held on October 7, 2016 and by the members in the Extra Ordinary General Meeting held on October 7, 2016.

43.1 Northern Arc Capital Employee Stock Option Plan 2016 – ("Scheme 1") formerly IFMR Capital Employee Stock Option Plan 2016 – ("Scheme 1")

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries.
The options were issued on March 1, 2017, and will be exercised at INR 10. The options are vested over a period of 4 years in 40:20:20:20 proportion.

Northern Arc Capital Employee Stock Option Plan 2016 – ("Scheme 2") formerly IFMR Capital Employee Stock Option Plan 2016 – ("Plan" or "ESOP") ("Scheme 2")
The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries.
The options were issued in ten tranches. The exercise price ranging between INR 110 to INR 275. The options are vested equally over a period of 5 years.

Northern Arc Capital Employee Stock Option Plan 2018 – ("Plan" or "ESOP") ("Scheme 3")
The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries.
The options were issued in three tranches. The exercise price ranging between INR 181 to INR 275. The options are vested over a period of 3 years in 30:30:40 proportion

43.2 Options outstanding under Scheme 1, Scheme 2 and Scheme 3

	As at March 31, 2023			As at March 31, 2022		
Plan	**Scheme 1**	**Scheme 2**	**Scheme 3**	**Scheme 1**	**Scheme 2**	**Scheme 3**
Grant date	**Various**	**Various**	**Various**	**Various**	**Various**	**Various**
Number ofoptions	8,000	23,78,000	8,99,984	23,000	32,26,950	12,19,363
Exercise price in INR	10	110 to 275	181 to 275	10	110 to 275	181 to 275
Vesting period	1 to 4 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 5 years	1 to 3 years
Option Price	113.65	31.85 to 121.09	65.57 to 92.33	113.65	31.85 to 121.09	65.57 to 92.33
Weighted average exercise price in INR	10.00	163.21	203.79	10.00	161.37	207.15
Weighted average remaining contractual life (in years)	-	0.74	0.27	-	1.63	1.02
Vesting condition	Time and performance based vesting					

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

Particulars	**March 31, 2023**		**March 31, 2022**	
	Weighted average exercise price per option	**Number of options**	**Weighted average exercise price per option**	**Number of options**
Outstanding at beginning of year	173.08	44,69,313	131.43	50,34,654
Less: Forfeited during the year	176.13	10,47,179	197.35	9,26,848
Less: Exercised during the year	112.20	1,23,750	114.56	9,85,993
Less: Exercised during the year but not allotted	181.13	12,400	-	-
Add: Granted during the year	-	-	250.69	13,47,500
Outstanding as at end of year	**173.95**	**32,85,984**	**173.08**	**44,69,313**
Vested and exercisable as at end of year	**158.67**	**30,26,466**	**143.53**	**22,19,587**
Amount expensed of in Statement of Profit and Loss		157.44		320.67

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

43 Share Based Payaments (continued)

43.4 Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. The shares of the Holding company are not listed on any stock exchange. Accordingly, the Holding company has considered the volatility of the Company's stock price based on historical volatility of similar listed enterprise. The various assumptions considered in the pricing model for the stock options granted by the Holding company are as follows:

	As at March 31, 2023	As at March 31, 2022
Dividend yield	NA	0%
Historical volatality estimate	NA	48.40%
Risk free interest rate	NA	5.62%
Expected life of option (in years)	NA	5.42

44 Related party disclosures

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

(i) Associate	Finreach Solutions Private Limited Northern Arc Emerging Corporates Bond Trust (incorporated w.e.f April 4, 2022)
(ii) Key Managerial Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director & CEO (Director w.e.f 14 February 2022; Managing Director & CEO w.e.f April 1, 2022) Ms. Kshama Fernandes, Chief Executive Officer and Managing Director (upto March 31, 2022) Ms. Bama Balakrishnan Executive Director (w.e.f February 14, 2022) Mr. Atul Tibrewal, Chief Financial Officer (from May 18, 2021) Ms. Srividhya, Company Secretary Mr. P S Jayakumar, Independent Director
(iii) Director and relative of Key Management Personnel / Director	Mr. Ashutosh Pednekar Mr. Michael Jude Fernandes Mr. Samir Shah (upto December 28, 2022) Mr. P S Jayakumar Mr. Arunkumar Thiagarajan Ms. Kshama Fernandes Mr. Amit Mehta (upto May 2, 2022) Ms. Anuradha Rao Mr. Vijay Nallan Chakravarthi Mr. T.S. Anantharaman (w.e.f. February 9, 2023)

A. Transactions during the Year :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Finreach Solutions Private Limited		
Investments	394.40	-
Guarantee Management Service Fee	11.21	-
Fee Income	37.00	-
Northern Arc Emerging Corporates Bond Trust		
Investments in Alternate Investment Funds	2,500.00	-
Transfer of surplus	70.60	-
Reimbursement of expenses	3.52	-
Ms. Kshama Fernandes		
Remuneration and other benefits *	-	240.09
Commission	70.85	-
Sitting fees	8.72	-
Share based payment	2.85	18.75
Equity share capital	-	24.72
Share premium	-	336.25
Ms. Bama Balakrishnan		
Remuneration and other benefits *	251.32	24.66
Share based payment	2.48	14.00
Equity share capital	-	7.30
Share premium	-	91.42
Mr. Atul Tibrewal		
Remuneration and other benefits *	173.27	146.70
Share based payments	39.40	55.23
Mr P S Jayakumar		
Professional Fee	84.47	32.70
Sitting Fees	11.45	15.50
Mr. Ashish Mehrotra		
Remuneration and other benefits *	400.00	28.97
Employee stock option (in units)	88.20	98.11
Mrs. Srividhya		
Remuneration and other benefits *	52.44	41.39
Share based payments	2.02	2.56
Mr. Ashutosh Pednekar		
Sitting Fees	8.72	13.00
Ms. Anuradha Rao		
Sitting Fees	13.08	17.50
Mr. Arunkumar Thiagarajan		
Sitting Fees	8.18	-

* Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation. Amount excludes transfer from Share Based payment reserve to securities premium on exercise of employee stock option.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

44 Related party disclosures (continued)

B. Balances as at year end:

Particulars	As at March 31, 2023	As at March 31, 2022
Finreach Solutions Private Limited		
Investments	394.40	-
Trade Receivables	37.00	-
Trade Payables	11.21	-
Ms. Kshama Fernandes		
Provision for share based payment	217.67	214.82
Ms. Bama Balakrishnan		
Provision for share based payment	154.85	187.72
Mr. Ashish Mehrotra		
Provision for share based payment	186.31	98.11
Mr. Atul Tibrewal		
Provision for share based payment	94.63	55.23
Mrs. Srividhya		
Provision for share based payment	20.28	18.26

45 The details of the investments held by the group in the Alternative Investment Funds managed by the Company's wholly owned subsidiary, Northern Arc Investment Managers Private Limited, as disclosed in the respective standalone financial statements (aggregate amounts) are as follows:

Fund	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Purchases	Redemption #	Purchases	Redemption #
IFMR Fimpact Investment Fund	-	-	-	-
IFMR Fimpact Long Term Multi Asset Fund	-	6,428.16	-	-
IFMR Fimpact Long Term Credit Fund	-	2,186.40	-	288.51
IFMR Fimpact Medium Term Opportunities Fund	-	2,468.35	-	3,610.76
IFMR Fimpact Income Builder Fund Fund	-	2,323.38	-	-
Northern Arc Money Market Alpha Trust Fund	12,29,242.00	75,66,483.70	7,150.13	5,000.00
Northern Arc India Impact Fund	2,763.78	-	4,200.00	-
Northern Arc Income Builder (Series II) Fund	84.20	84.20	12,224.15	9,739.05
Northern Arc Emerging corporates Bond Fund	2,745.58	-	-	-

represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended March 31, 2023	Year ended March 31, 2022
IFMR Fimpact Long Term Multi Asset Fund	83.03	663.95
IFMR Fimpact Long Term Credit Fund *	1,049.40	1,412.06
IFMR Fimpact Medium Term Opportunities Fund	403.49	632.67
IFMR Fimpact Income Builder Fund Fund	433.69	776.75
Northern Arc Money Market Alpha Trust Fund	157.36	615.42
Northern Arc India Impact Fund	1,079.24	82.16
Northern Arc Income Builder (Series II) Fund	562.49	80.78
Northern Arc Emerging corporates Bond Fund	71.72	-

Outstanding balances (Investment) at carrying value

Fund	As at March 31, 2023		As at March 31, 2022	
	Units	Carrying value	Units	Carrying value (INR
IFMR Fimpact Long Term Multi Asset Fund	-	34.38	6,428.16	5,288.86
IFMR Fimpact Long Term Credit Fund *	8,269.17	8,887.80	10,455.56	11,405.64
IFMR Fimpact Medium Term Opportunities Fund	-	-	2,468.35	2,794.61
IFMR Fimpact Income Builder Fund Fund	-	-	2,323.43	2,926.07
Northern Arc Money Market Alpha Trust Fund	13,44,545.47	1,373.11	76,81,787.17	7,889.54
Northern Arc India Impact Fund	6,796.06	7,797.00	4,032.28	4,414.87
Northern Arc Income Builder (Series II) Fund	3,137.79	4,846.45	3,137.79	4,045.78
Northern Arc Emerging corporates Bond Fund	2,745.58	2,809.97	-	-

* IFMR Fimpact Long Term Credit Fund has been considered for consolidation in these financial statements. Also refer note 1.

46 Segment reporting

The Group's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or investments or guarantees, providing portfolio management, investment advisory and investment management services. The information relating to this operating segment is reviewed regularly by the Company’s Board of Directors (Chief Operating Decision Maker (CODM)) to make decisions about resources to be allocated and to assess their performance.

The Group has four reportable segments Viz., Financing activity, Investment advisory services, Investment management services, Portfolio Management services. For each of the business, CODM reviews internal management reports on periodic basis.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Segment Revenue		
Financing activity	1,25,244.95	86,730.71
Investment advisory services	35.15	23.43
Investment management services	4,034.78	3,030.11
Portfolio Management Services	2,697.40	2,760.11
Others	3,881.11	-
Total	**1,35,893.39**	**92,544.36**
Less : Inter segment revenue	(5,396.34)	(1,590.42)
Revenue from operations	**1,30,497.05**	**90,953.94**
Segment Results (Profit before other income)		
Financing activity	29,762.41	21,586.93
Investment advisory services	9.60	(3.22)
Investment management services	1,153.23	1,198.60
Portfolio Management Services	2,326.18	1,356.05
Others	(589.41)	-
Total	**32,662.01**	**24,138.36**
Add: Other income	622.98	700.53
Less: Intersegment results	(975.16)	-
Less: Share of loss post tax from associate	(187.27)	-
Profit before tax	**32,122.56**	**24,838.89**

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

46 Segment reporting (continued)

Particulars	As at March 31, 2023	As at March 31, 2022
Segment Assets		
Financing activity	9,01,979.04	7,70,803.97
Investment advisory services	401.07	411.37
Investment management services	5,974.00	5,405.72
Portfolio management Services	22,881.24	20,443.27
Others	3,836.64	172.50
Unallocated	2,085.13	174.63
Total	**9,37,157.12**	**7,97,411.46**
Segment Liabilities		
Financing activity	7,26,108.68	6,11,328.56
Investment advisory services	48.82	68.56
Investment management services	1,315.37	2,202.19
Portfolio Management Services	1,036.63	429.54
Others	1,874.57	171.48
Total	**7,30,384.07**	**6,14,200.33**
Capital Employed	**2,06,773.05**	**1,83,211.13**
(Segment assets - Segment liabilities)		

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

47 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2023

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge		**Assets**	**Liabilities**				
Cross currency swaps	1,05,534.25	5,879.27	149.31	November 15, 2025 to September 15,2026	6,246.45	(6,246.45)	Borrowings (Other than debt securities)
Overnight Indexed Swap	59,325.00	225.57	78.28	December 15, 2026 to September 21, 2027	147.29	(147.29)	- Debt Securities - Borrowings (Other than debt securities)

As at March 31 2022

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising	Line item in Balance Sheet
Cash flow hedge		**Assets**	**Liabilities**				
Cross currency swaps	80,709.00	110.00	626.49	November 15, 2025 to March 4, 2026	382.02	(382.02)	Borrowings (Other than debt securities)
Forward contract	25,000.00	41.85	17.33	July 18, 2022 to August 23, 2022:	24.52	(24.52)	

b) Disclosure of effects of hedge accounting on financial performance:

For the year ended March 31, 2023

Type of hedge	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	6,246.45	-	-	NA
Overnight Indexed Swap	147.29	-	-	NA

For the year ended March 31, 2022

Type of hedge	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	382.02	-	-	NA
Forward Contract	24.52	-	-	NA

48 Business Combination - Acquisitions during the year ended March 31, 2023

A) Acquisition of identified assets and liabilities of S.M.I.L.E Microfinance Limited

On April 12, 2022 (Acquisition Date), the Holding Company had taken over identified assets and liabilities of S.M.I.L.E Microfinance Limited (S.M.I.L.E), a un-listed company based in India, for a consideration of ₹ 11,162.91 lakhs. It is a micro finance company serving the underpriviledged in tier II Cities. The decision by the Holding Company to acquire the identified assets and liabilities of S.M.I.L.E was driven by the long-term business objectives of the Group and is in line with Group's intent to broaden its products and business portfolio with a view to reduce its dependence on existing revenue streams.

B) Assets and Liabilities assumed: The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	Amount
Assets:	
Financial assets:	
Cash and cash equivalents	433.76
Bank Balances other than cash and cash equivalents	161.94
Loans at Fair Value	23,218.25
Loans given to staff - at amortised cost	11.01
Other Financial assets	107.01
Non-financial assets:	
Property, Plant and Equipment	85.28
Intangible assets	30.11
Right of Use	8.37
Other non-financial assets	150.84
Total Assets (A)	**24,206.57**
Liabilities:	
Financial liabilities:	
Borrowings (including loans given by NACL)	14,722.22
Trade payables	28.80
Lease liabilities	9.12
Other financial liabilities	14.50
Non-financial liabilities:	
Provisions (including employee benefits)	494.97
Other non financial liabilities	95.83
Total Liabilities (B)	**15,365.44**
Net Assets taken over (C=A-B)	**8,841.13**
Purchase Consideration (F)	11,162.91
Goodwill on acquisition (F-E)	**2,321.78**

Other Matters

i The fair value of the Loans amounts to INR 23218.25 lakhs. The gross amount of loans is INR 29,287.93 Lakhs. However, none of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.
The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:
•An assumed discount rate of 23.88%
•There is no terminal value since the entire loan is estimated to end before three years.

ii The entire purchase consideration was paid through cash. There is no contingent consideration to be paid as per the definite agreements and transactions has to be recognised separately from acquisition of assets and assumption of liabilities.

iii The goodwill of INR 2321.78 lacs comprises the value of expected synergies arising from the acquisition and Intangibles assets recognised in accordance with Ind AS 38 (ie, Technical know-how, Non Compete, Order book etc). None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, the contribution on revenue and Profit/ (Loss) before tax from continuing operations of the Group is as follows:

Particulars	Amount in lakhs
Revenue	9,910.98
Profit/ (Loss) before tax from continuing operations	5,182.73

iv Transaction costs of ₹ 22.57 Lakhs have been expensed and are included in other expenses.
v The deferred tax liability mainly comprises the tax effect of the fair value of tangible and intangible assets due to the acquisitions.
vi If the combination had taken place at the beginning of the year ended 31st March 2022, the contribution to group's revenue from operations and profit before tax would have been as follows

Particulars	Amount in lakhs
Revenue	9,910.98
Profit / (Loss) before tax from continuing Operation	5,182.73

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

49 Investment in Associates

The following table illustrates the summarised financial information of the Group's investment in Associates as at 31 March 2023

	As at March 31, 2023	
Particulars	**Finreach Solutions Private Limited**	**Northern Arc Emerging Corporate Bond Fund**
Financial Assets	288.32	9,202.68
Non-Financial Assets	179.37	-
Financial Liabilities	(310.61)	(23.30)
Non-Financial Liabilities	(75.31)	(276.61)
Equity	**81.77**	**8,902.77**
Group's Share in equity	27.18%	28.87%
Goodwill	-	-
Group's carrying amount of the investment	**156.41**	**2,570.23**

	Year ended March 31, 2023	
Particulars	**Finreach Solutions Private Limited**	**Northern Arc Emerging Corporate Bond Fund**
Revenue from contract with customers	44.29	278.88
Finance costs	(17.80)	-
Investment management fees	-	(26.18)
Impairment on financial instruments	-	(85.09)
Employee benefits expenses	(619.12)	-
Depreciation and amortisation	(42.09)	-
Other expenses	(198.11)	(32.21)
Profit before tax	**(832.83)**	**135.40**
Income tax expenses	-	-
Profit for the year (continuing operations)	**(832.83)**	**135.40**
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-
Total comprehensive income for the year (continuing operations)	**(832.83)**	**135.40**
Group's share of profit for the year	**(226.36)**	**39.09**

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.
The associate had no contingent liabilities or capital commitments as at 31 March 2023
The above mentioned investments were made during the year ended 31 March 2023, hence the information for the year ended 31 March 2022, is not applicable.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

50 Other Statutory Information*

A Proper books of account as required by law have been kept by the group. Back-up of the books of account and other books and papers maintained in electronic mode on servers physically located in India, except in case of books of accounts maintained in electronic mode with respect to certain application maintained by third parties. In respect of such application, the backups are taken on a periodic basis and maintained outside India. Subsequent to the year end, the parent company is taking steps to ensure backups for such applications maintained by third party are taken on a daily basis in a server physically located in India

B Stage wise Overdue (DPD) based Loan disclosure

Particulars	As at March 31, 2023				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	9,85,324	6,78,814.11	2,507.41	443.32	6,81,764.84
Accounts with Overdues	1,86,826	7,615.40	2,750.93	5,867.60	16,233.93
Total	**11,72,150**	**6,86,429.51**	**5,258.34**	**6,310.92**	**6,97,998.77**

Particulars	As at March 31, 2022				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	1,60,842	3,80,550.82	749.48	9.38	3,81,309.68
Accounts with Overdues	56,911	54,967.42	78,956.93	5,295.62	1,39,219.97
Total	**2,17,753**	**4,35,518.24**	**79,706.41**	**5,305.00**	**5,20,529.65**

C (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.
(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
(iv)The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
As part of the normal business, the Group invests in Alternate Investment Fund managed by the subsidiary of the Company and also lends loan to the subsidiary for onward investment into these AIFs. The AIFs invests in debt instruments issued by various originators based on decision made by the investment committee of the respective funds. These transactions are part of the Group's normal investment activities/ business, which is conducted after exercising proper due diligence including adherence to terms of private placement memorandum of respective AIFs and other guidelines. Other than the nature of transactions described above: ((v) & (vi))

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a. 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
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

* Disclosure applicable only for NACL, NAIM, NAIA, Pragati Finserv Private Limited in the group.
(viii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

As per our report of even date attached
for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/E300004

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

per Bharath N S
Partner
Membership No. 210934

P.S. Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

R. Srividhya
Company Secretary
Membership No: A22261

Place : Chennai
Date : May 11, 2023

Place : Chennai
Date : May 11, 2023