Prayas Financial Services Pvt. Ltd

PRAYAS

FINANCIAL SERVICES PRIVATE LIMITED

Reg. No. CIN : U67190GJ2017PTC096063

6TH ANNUAL GENERAL MEETING NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTH (6TH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF PRAYAS FINANCIAL SERVICES PRIVATE LIMITED WILL BE HELD ON MONDAY 14th DAY, AUGUST, 2023, AT 02:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT SATYAM-1/308, AMBA BUSINESS PARK, TRI MANDIR CAMPUS, ABOVE HDFC/SBI BANK, ADALAJ, GANDHINAGAR – 382421, THROUGH VIDEO CONFERENCING TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March 31, 2023 and the Report of Directors' and Auditors thereon.

For and on behalf of the Board of Directors
Prayas Financial Services Private Limited,

Bhadresh Keshavlal Rawal	**Dinesh H. Awasthi**
Director	**Director**
(DIN: 06746695)	**(DIN: 00415781)**

Date: May 16, 2023,
Place: Gandhinagar.

NOTES:

1. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, proxy form and attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes.
2. Since the AGM will be held through VC/OAVM, the route map for the venue is not annexed.
3. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.
4. An explanatory statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto
5. Register of Director(s)/Key Managerial Personnel(s) and their shareholding, Register of Contracts in which Directors are interested are available for inspection by the members at the meeting.
6. All the documents referred to in the notice are open for inspection at the Registered office of the Company on all working dates, except Sunday and public holidays, between 09:30 A.M. to 06:30 P.M. up to the date of the AGM.

For and on behalf of the Board of Directors
Prayas Financial Services Private Limited,

Bhadresh Keshavlal Rawal	**Dinesh H. Awasthi**
Director	**Director**
(DIN: 06746695)	**(DIN: 00415781)**

Date: May 16, 2023,
Place: Gandhinagar.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH, 2023.

To,
The Members,

Your Director's present the 6th Annual Report on the Business and Operations of the Company together with Audited Statement of Accounts and Auditors Report thereon for the Financial Year ended 31st March, 2023.

1. **Financial Results summary**

Particulars	For The Year Ended 31st March 2023. (In lakhs)	For the year ended 31st March 2022.(In lakhs)
Income from Operation	1202.52	684.29
Other income	0.80	2.19
Profit (Loss) before Depreciation & Tax	**45.15**	**(189.5)**
Less: Depreciation	22.28	7.00
Profit (Loss) before Tax	**22.87**	**(196.50)**
Less: MAT / Current Tax	7.01	Nil
Less: Deferred Tax (expense)/benefit	(37.56)	(5.32)
Profit (Loss) after Tax	**53.43**	**(191.17)**

2. **Dividend**
Your Directors do not recommend a dividend for the year.

3. **Reserves**
Your Directors have transferred Rupees Ten Lakhs Sixty Eight Thousand Five Hundred and Twenty Five (Rs. 10, 68,525) only, to the Statutory Reserves as per the Reserve Bank of India Act, 1934.

4. **Review of business and operations and State of affairs of your company and outlook.**

- **Revenue:**
Your Company posted total income of ₹ 12,04,19,410 in the year ended on March 31, 2023, as compared to ₹ 6,86,48,548/- in the previous year, which is an increase of approx 75.41% year-on-year.

- **Profit/Loss:**
During the year under review, your company has recorded profit amounting to ₹ 53,42,623/- as compared to loss of ₹ 1,91,17,472/- in the F.Y. 2021-22.

- **Other Financial Highlights:**

Total expenses of the Company have increased to ₹ 11,81,31,925/- as compared to expenses of the previous financial year which was ₹8,82,98,224/-.

Basic Earnings per Share (BEPS) for the year ended March 31, 2023 is ₹0.32 as against ₹ (2.25) in the previous financial year. Diluted Earnings per Share (DEPS) for the year ended March 31, 2023 is ₹ 0.32 as against ₹ (2.25) in the previous financial year.

During the year under review, the Company has disbursed ₹ 11,586.64 lacs. The Assets under Management (AUM) as on March 31, 2023 was ₹ 11,387.17 lacs representing an increase of 72.37% over the previous year.

Total no. of Branches: During the year, the Company has opened in total five (5) branches, out of the five, 4 were opened in Rajasthan and one branch was opened in Gujarat. Hence the total number of branches of the Company as on March 31, 2023 was 34.

Investment by Ananya Finance for Inclusive Growth Private Limited:

Your Directors are pleased to inform you that, during the year under review, the Company had made application to Reserve Bank of India ("RBI") for change in the Shareholding (which would result in Ananya acquiring shareholding of 55.47%) of the Company in relation to the downstream investment by Ananya, and the approval from RBI has been received on May 6, 2022.

Pursuant to the RBI approval, your Company proposed to raise funds of upto ₹ 12,00,00,000/- (Rupees Twelve Crores only), by way of issue of upto 1,00,00,000 (One Crore) new Equity shares having face value of ₹ 10/- (Rupees Ten Only) and Premium of ₹ 2/- (Rupees Two Only) each fully paid-up at a price of ₹ 12/- (Rupees Twelve Only) in dematerialized form through Private & preferential basis to Ananya Finance for Inclusive Growth Private Limited ("Ananya"). Your Company has received necessary approval from the Board of Directors for issuance of Equity shares to Ananya in its Board meeting held on June 16, 2022. This investment will give Ananya a stake of 55.47% in the shareholding pattern of the Company.

Additional Investment by Mr. Bhadresh Rawal, existing shareholder and Promoter of the Company:

Your Directors are pleased to informed you that, a proposal from the existing shareholder of the Company Mr. Bhadresh Rawal had been received for investing additional corpus of ₹ 50,00,004 into the Company in the form of Equity investment.

Based on the proposal from Mr. Bhadresh Rawal, your Company proposed to issue upto 4,16,667 (Four Lakhs Sixteen Thousand Six Hundred Sixty-Seven) new Equity shares having face value of ₹ 10/- (Rupees Ten Only) and Premium of ₹ 2/- (Rupees Two Only) each fully paid-up at a price of ₹ 12/- (Rupees Twelve Only) in physical form through Private & preferential basis to Mr. Bhadresh Rawal. Your Company has received necessary approval from the Board of Directors for issuance of Equity shares to Mr. Bhadresh Rawal in its Board meeting held on June 16, 2022.

5. **Credit Grading.**
During the Year under review, the SMERA assigned a Comprehensive Grading of M4C3.

6. **Change in the nature of business.**
There was no change in the nature of business of the Company during the year under review.

7. **Changes in Capital Structure.**

Authorized Share Capital	There is no change in the authorized Share Capital of the Company. The authorized share capital of the company is Rs. 20,00,00,000/-.
Issued, Subscribed, Paid-up Share Capital	During the year, the Company has issued and allotted Rs. 1,04,16,667/- allotted Equity shares of F.V. of Rs. 10 each. Currently, the Issued, Subscribed, Paid-up Share Capital of the Company is ₹ 18,92,86,710/- (Rupees Eighteen Crores Ninety-Two Lakhs Eighty Six Thousand Seven Hundred and Ten rupees only) divided into 1,89,28,671 (One Crore Eighty Nine Lakhs Twenty Eight Thousand Six

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	Hundred and Seventy One) Equity shares of ₹ 10/- (Rupees Ten only) each.

8. Disclosure U/S 164(2) of The Companies Act, 2013

The Company has received the disclosure in Form DIR-8 from its Directors being appointed or reappointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

9. Extract of Annual Return

Pursuant to substitution made in Section 92(3) of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017; the requirement of including an extract of the annual return in the Board's report has been omitted.

The Annual Return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and can be accessed at www.prayasfinance.com

10. Details of Directors or Key managerial personnel appointed/resigned during the year.

During the year under review, your company has appointed following Directors/Key Managerial Personnel:

NAME	Designation	Date of Appointment
Mr. Abhisek Khanna	Chief Executive Officer	June 16, 2022
Ms. Jyoti Singh Chauhan	Company Secretary	November 11, 2022

During the year under review, following Key Managerial Personnel resigned:

NAME	Designation	Date of Resignation
Ms. Charmi Shah	Company Secretary	November 11, 2022

11. Declaration from Independent Director(s)

The Company has received requisite declaration of Independence from Mr. Surendra Srivastava (Independent Director) as required pursuant to section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in section 149(6) of the Act.

At the first meeting of Board held for financial year 2023-24, the Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions as specified in the Act and the rules made thereunder for appointment as ID and confirm that they are independent of the management.

12. Details of Subsidiaries Companies, Joint Venture or Associate Company & LLP/Partnership :

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

13. Number of Board Meetings

During the Financial Year 2022-23, four (4) meetings of the Board of Directors of the company were held on the following dates:

Sr. No.	Date of Board Meeting	No. of Director Present in the Meeting
1.	16.06.2022	3
2.	10.08.2022	2

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096093

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096093

3.	09.11.2022	3
4.	13.02.2023	2

14. Particulars of Loan, Guarantees and Investments under Section 186.

The Company has not provided any guarantees and made investments covered under the provisions of section 186 of the Companies Act, 2013.

15. Particulars of Contracts or Arrangements with Related Parties

During the year ended 31st March 2023, all the transactions with related parties were carried out on an arm's length basis. The disclosures of transactions with the related party for the financial year, as per Accounting Standard – 18 Related Party Disclosure is given in Note no. 35 to the Balance Sheet as on 31st March 2023.

16. Auditor's Report

Statutory Auditors

Manubhai & Shah, LLP, Chartered Accountant, Ahmedabad (Firm Registration No. 106041W/W100136) are the statutory auditors of the Company and have been appointed as Auditors of the Company for the Financial Years 2022-23 to 2026-27 (i.e. for a period of 5 years as per section 139(1) of Companies Act, 2013) and to hold the office for a term of five (5) consecutive years from the conclusion of this 6th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company to be held in the year 2027.

The Audit Report for the Financial Year ended 31st March, 2023 does not contain any qualification, reservation or adverse remark and forms part of this report.

Internal Auditors

Alpesh shah and Co. Chartered Accountant, Ahmedabad (Firm Registration No. 128461W) are the Internal auditors of the Company and have been appointed as Internal Auditor of the Company for the Financial Year 2022-2023 on 10th August, 2022.

Cost Auditors

The Company does not fall within the purview of Section 148 of the Companies Act, 2013 and hence the Company was not required to appoint Cost Auditor for the year under review.

17. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

Your Company is taking all possible steps to conserve energy and reduce the cost of operations by implementing the Environmental Policy.

18. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

19. Risk Management Policy

Your company has a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The company has established procedures to periodically place before the Risk Management Committee and Board of Directors, the risk assessment and minimization procedures being followed by the company and steps taken by it to lower these risks. The Risk Management processes have been established across the company and are continuously reviewed improved and adapted to the changing risk landscape.

The company's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that have been designed to be commensurate with its business of lending in the Microfinance, Agrifinance and MSME segments, and endeavors to manage the various risks in the business including Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risks.

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063

The Board of Directors have constituted a Risk Management Committee that reviews the risk management framework of the company on a Quarterly basis. The committee comprises of the following Directors:

Sr. No.	Name of the Director	Nature of Directorship
1	Mr. Bhadresh Rawal	Director
2	Mr. Dinesh Awasthi	Director
3	Mr. Surendra Srivastava	Independent Director

20. **Details of Directors.**

Below is the list of Directors as on March 31, 2023:

SR. NO.	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT
1.	Mr. Dinesh Hridaynarain Awasthi	00415781	Director	03/03/2017
2.	Mr. Bhadresh Keshavlal Rawal	06746695	Director	03/03/2017
3.	Mr. Surendra Srivastava	08164095	Independent Director	23/03/2022

The shareholders of the Company were informed that the Company has appointed the below mentioned Representative from Ananya Finance for Inclusive Growth Private Limited our holding Company into the board of the Company:

S.No.	Name of the Representative	Designation on Prayas Board
1.	Mr. Sidharth Sinha	Nominee Director
2.	Mr. Pranav Desai	Nominee Director
3.	Mr. Abhisek Khanna	Managing Director

Pursuant to the Reserve Bank of India (RBI) Notification No. DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 9, 2015, since the appointment would result in change in more than 30 per cent of the directors, excluding independent director prior approval of the Reserve Bank of India was taken on February 21, 2023 by your Company.

21. **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.**

There have been no orders passed by the regulators or courts or tribunals that impact the status of going concern of your company or that hinder the company's operations in future.

22. **Deposits (As per the Definition under Section 2(31) of the Companies Act, 2013)**

The company does not accept any deposits from Public as prescribed under the RBI rules. The following details of deposits, covered under Chapter V of the act:

Deposits Accepted during the year	NIL
Remained unpaid or unclaimed as at the end of the year	NIL

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	NIL
At the beginning of the year Maximum during the year At the end of the year	NIL NIL NIL
The details of deposits which are not in compliance with the requirements of Chapter	NIL

23. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR:

Pursuant to Section 134(3)(o) read with section 135 of the Companies Act, 2013, CSR is not applicable to the Company.

24. AUDIT COMMITTEE

As part of the internal controls monitoring process, the Board of Directors have constituted an Audit Committee comprising the Directors listed below. The committee on a half-yearly basis, reviews the Financial Reporting process, the system of internal controls, audit process and compliances with applicable laws and regulations and internal guidelines. The Audit Committee consists of the following Directors:

Sr. No.	Name of the Director	Nature of Directorship
1.	Mr. Bhadresh Rawal	Director
2.	Mr. Dinesh Awasthi	Director
3.	Mr. Surendra Srivastava	Independent Director

During the Financial Year 2022-23, four (4) meetings of the Audit Committee of the company were held on the following dates:

Sr. No.	Date of Audit Committee Meeting	No. of Member Present in the Meeting
1.	16.06.2022	3
2.	10.08.2022	2
3.	09.11.2022	3
4.	13.02.2023	2

25. Nomination & Remuneration Committee

The Company has constituted Nomination & Remuneration Committee ("NRC") in terms of the requirements of the Act and pursuant to Master Circular "Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015" dated July 01, 2015. The Nomination & Remuneration Committee consists of the following members:

Sr. No.	Name of the Director	Nature of Directorship
1.	Mr. Bhadresh Rawal	Director
2.	Mr. Dinesh Awasthi	Director
3.	Mr. Surendra Srivastava	Independent Director

During the Financial Year 2022-23, two (2) meetings of the Nomination and Remuneration Committee Meeting of the company were held on the following dates:

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN : U67190GJ2017PTC096063 PRAYAS

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN : U67190GJ2017PTC096063 PRAYAS

Sr. No.	Date of Nomination and Remuneration Committee Meeting	No. of Member Present in the Meeting
1.	16.06.2022	3
2.	09.11.2022	3

26. **Disclosure on Establishment of a Vigil Mechanism**

A Fraud free and corruption free environment has been core to your company's culture. In view of the potential risk of fraud and corruption due to rapid growth, the Company has put an even greater emphasis to address this risk. To meet this objective, a comprehensive Vigil Mechanism and Whistle Blower Policy have been laid down by the Board of Directors which form part of the HR policy of the Company.

Further, Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(9) of the Act, the Company has adopted a Vigil Mechanism Framework ("Framework"), under which the Whistle Blower Policy has been adopted.

The objective of the Framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the Directors and employees can raise actual or suspected violations. The Vigil Mechanism Framework empowers all levels of employees including top management to raise voice against actual/ suspected violations. The implementation of the Framework is monitored through the Audit Committee.

The mechanism framed by the Company is in compliance with requirements of the Act and available on the website viz. www.prayasfinance.com.

27. **Managerial remuneration**

During the year under review the company has paid remuneration to director. The details are given below:

S.No	Name of Director	Remuneration paid (In Lakhs)
1.	Mr. Bhadresh Rawal	4.62

28. **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (SHWS) Act, 2013, your company has a policy for Prevention of Sexual Harassment at the Workplace and the Board of Directors have unanimously adopted the same. During the year under review, no complaint was reported under the said policy framed as per Act.

29. **Directors Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

a) In the preparation of the annual accounts for the financial year ended 31st March, 2023, 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 as at 31st March, 2023 and of the profit /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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
f) 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.

PRAYAS FINANCIAL SERVICES PVT. LTD. · CIN: U67190GJ2017PTC096963 · PRAYAS

PRAYAS FINANCIAL SERVICES PVT. LTD. · CIN: U67190GJ2017PTC096963 · PRAYAS

g) During the period under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee/Board any instances of material fraud in the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013.

30. Compliance with Secretarial Standards

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India in carrying out its Board meetings and General Meetings.

31. Details of the Debenture Trustee

The details of the Debenture Trustee of the Company are as follows:

IDBI Trusteeship Services Limited
M: (+91 8097474634)
Address : IDBI Trusteeship Services Limited,
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001
Website: http://www.idbitrustee.com

32. GRATITUDE AND ACKNOWLEDGEMENTS

Your Board of Directors wish to thank and place on record their appreciation for the co-operation and support extended to the Company by Lenders, Bankers, Customers, Employees and other Stakeholders which have been a Constant source of strength to the Company.

The Board of Directors also expresses its sincere gratitude to all the shareholders for their continuous support and trust they have shown in the management. The dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

Your Company is thankful to the core functioning team for continuously providing excellent management, and technical support.

Date: May 16th, 2023
Place: Gandhinagar

For and on behalf of the Board of Directors
of Prayas Financial Services Private Limited

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Dinesh Awasthi
Director
DIN:00415781

Bhadresh Keshavlal Rawal
Director
DIN:06746695

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

INDEPENDENT AUDITOR'S REPORT

To The Members of Prayas Financial Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Prayas Financial Services Private 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 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 Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note 41 of the financial statements, as regards to microfinance loans to total assets. On the basis of Balance Sheet as at 31st March, 2023, the ratio of microfinance loans to total assets is worked out to 45.53%, which is less than minimum requirements of 75% prescribed under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022. Our Opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report but does not include the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Other Matter

The Audit of the Financial Statements for the year ended March 31, 2022 was carried out and reported by another Auditor M/s Shah & Shah, Chartered Accountants, who had expressed an unmodified opinion on those financial statements vide their audit report dated June 16, 2022.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid 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.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 did not have any pending litigations having impact on its financial position.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever 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 their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.106041W/W100136

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJVZ3474

Place: **Ahmedabad**
Date: **May 16, 2023**

Annexure A to the Independent Auditors' Report

[Annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on Financial Statements for the year ended March 31, 2023 to the members of Prayas Financial Services Private Limited]

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

We have audited the internal financial controls over financial reporting of Prayas Financial Services Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: May 16, 2023

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJVZ3474

Annexure B to the Independent Auditors' Report

[Annexure referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report on Financial Statements for the year ended March 31, 2023 to the members of Prayas Financial Services Private limited]

To the best of our information and according to explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

c) The Company does not have any immovable property. Based on the examination of the lease agreement in respect of immovable property where the Company is the lessee, we report that lease deed is duly executed in favor of the Company and such immovable property has been disclosed in the financial statement as Right of Use of Assets as at the balance sheet date.

d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

ii. a) The Company does not have any Inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the company.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions in excess of Rs. 500 lakhs and hence reporting under clause (ii)(b) of the Order is not applicable.

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

b) The Investment made and terms and conditions of the grant of loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts have been generally regular as per stipulations. However, in certain loans the repayments or receipts have not been regular as per stipulations.

d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks
44,829	Rs.191.66 Lakhs	Rs. 29.13 Lakhs	Rs.220.78 Lakhs	None

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

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv. According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

vii. a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year except Professional tax deducted from salaries.

b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable. Undisputed professional tax in arrears as at March 31, 2023 for a period of more than six months is as under:

Name of Statue	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date
The Gujarat Professions Tax Act, 1976	Professional Tax	1.74 Lakhs	Various Months of Financial Year 2020-21 to Financial Year 2022-23	15th of Following Month

c) There are no statutory dues referred in sub clause (a) above which have not been deposited on account of disputes as at March 31, 2023.

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

f) The Company did not have investment in any subsidiary or associates or joint ventures and hence, reporting under clause (ix)(f) of the Order is not applicable.

x. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, paragraph 3(x)(a) of the Order is not applicable.

b) In respect of Private Placement of shares during the year, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi. a) In our Opinion and according to information and explanations given to us, there has been no fraud by the Company or any material fraud on the Company that has been noticed or reported during the year nor have we been informed of any such case by the Management. However, during previous year ending on 31st March, 2022 the management had represented to outgoing auditors regarding suspected fraud and cash embezzlement by an employee or officer of the company. The management is still in the process of investigating the same and the amount involved in such fraud is not yet determined.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

xiv. a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013.

b) The Company is not required to have an internal audit system under section 138 of the Companies Act, 2013. Hence, reporting under clause (xiv)(b) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act,1934 and it has obtained the registration.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

b) During the year the Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI. Further, the Company is having valid certificate of registration to conduct Non-Banking Financial activities.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, paragraph 3(xvi) (c) and (d) of the order are not applicable.

xvii. The Company has incurred cash losses amounting to Rs. 5.02 Lakhs during the financial year covered by our audit and Nil in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. However, the auditors are changed during the year pursuant to mandatory rotation requirements prescribed under Companies Act, 2013.

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

xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

MANUBHAI & SHAH LLP ◆ CHARTERED ACCOUNTANTS ◆

Place: Ahmedabad
Date: May 16, 2023

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJVZ3474

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Balance Sheet as at March 31, 2023

(Amount Rs. In Lakhs)

Particulars	Note No.	As at		
		March 31, 2023	March 31, 2022	April 01, 2021
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	5	1,219.94	152.37	15.85
(b) Bank Balance other than (a) above	6	73.59	64.05	-
(c) Loans	7	1,750.60	1,045.42	1,657.22
(d) Other Financial assets	8	292.46	588.66	378.77
Total Financial Assets		**3,336.59**	**1,850.50**	**2,051.84**
(2) Non-financial Assets				
(a) Current tax assets (Net)	10	36.74	21.01	22.10
(b) Deferred tax Assets (Net)	10	67.18	29.62	24.30
(c) Property, Plant and Equipment	11	50.19	34.82	14.43
(d) Other Intangible assets	12	-	11.98	14.81
(e) Right of Use Asset	13	203.78	-	-
(f) Other non-financial assets	9	3.04	10.83	2.36
Total Non Financial Assets		**360.93**	**108.26**	**78.00**
Total Financial and Non Financial Assets		**3,697.52**	**1,958.76**	**2,129.84**
LIABILITIES AND EQUITY				
LIABILITY				
(1) Financial Liabilities				
(a) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	22.05	8.77	5.88
(b) Lease Obligation	14	202.03	-	-
(c) Debt Securities	18	667.00	-	-
(d) Borrowings (Other than Debt Securities)	19	675.80	1,236.05	1,223.16
(e) Other financial liabilities	15	137.30	47.77	54.17
Total Financial Liabilities		**1,704.18**	**1,292.59**	**1,283.21**
(2) Non-Financial Liabilities				
(a) Provisions	16	20.99	7.04	7.38
(b) Other non-financial liabilities	17	23.50	12.81	6.37
Total Non Financial Liabities		**44.49**	**19.85**	**13.75**
[3] EQUITY				
(a) Equity Share capital	20	1,892.87	851.20	851.20
(b) Other Equity	21	55.98	(204.88)	(18.32)
Total Equity		**1,948.85**	**646.32**	**832.88**
Total Liabilities and Equity		**3,697.52**	**1,958.76**	**2,129.84**

See accompanying notes to the financial statements in terms of our report attached

As per our report of even date,
For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: 16.05.2023

For and on behalf of the Board of Directors of
Prayas Financial Services Private Limited

Abhisek Khanna
Managing Director and CEO
DIN: 09680649
Place: Gurgaon
Date: 16.05.2023

Bhadresh Keshavlal Rawal
Director
DIN: 06746695
Place:Ahmedbad
Date: 16.05.2023

Dinesh Hridaynarain Awasthi
Director
Din:00415781
Place:Ahmedbad
Date: 16.05.2023

Jyoti Chauhan
Company Secretary
ACS48863
Date: 16.05.2023

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Profit and Loss for the year ended March 31, 2023

(Amount Rs. In Lakhs)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
REVENUE FROM OPERATIONS				
(i)	Interest Income	22	430.07	410.93
(ii)	Fees and Commission Income	24	723.52	273.36
(iii)	Net gain on derecognition of financial instruments under amortised cost category		48.93	-
(I)	**Total Revenue from operations**		**1,202.52**	**684.29**
(II)	Other Income	25	1.67	2.19
(III)	**Total Income (I+II)**		**1,204.19**	**686.48**
EXPENSES				
(i)	Finance Costs	26	216.47	196.35
(ii)	Fees and Commission Expenses	27	1.44	-
(iii)	Impairment / (Reversal of Impairment) on financial instruments	28	(44.26)	230.45
(iv)	Employee Benefits Expenses	29	579.53	291.57
(v)	Depreciation, amortization and impairment	11	22.28	7.00
(vi)	Other expenses	30	405.86	157.61
(IV)	**Total Expenses**		**1,181.32**	**882.98**
(V)	**Profit / (Loss) before tax (III-IV)**		**22.87**	**(196.50)**
(VI)	Tax Expense:			
	(1) Current Tax	10	-	-
	(2) Adjustment of earlier year Tax	10	7.01	-
	(3) Deferred Tax	10	(37.56)	(5.32)
	Total Tax Expense		**(30.55)**	**(5.32)**
(VII)	**Profit / (loss) for the year (V - VI)**		**53.42**	**(191.18)**
(VIII)	**Other Comprehensive Income**	10		
	(i) Gain/(Loss) on define benefit obligation		1.21	4.62
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		**1.21**	**4.62**
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income / (loss)		**1.21**	**4.62**
(IX)	**Total Comprehensive Income / (loss) (VII+VIII)**		**54.63**	**(186.56)**
(X)	**Earnings / (Loss) per equity share**			
	Basic (Rs.)	31	0.32	(2.25)
	Diluted (Rs.)	31	0.32	(2.25)

See accompanying notes to the financial statements in terms of our report attached

As per our report of even date,
For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: 16.05.2023

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Prayas Financial Services Private Limited

Abhisek Khanna
Managing Director and CEO
DIN: 09680649
Place: Gurgaon
Date: 16.05.2023

Bhadresh Keshavlal Rawal
Director
DIN: 06746695
Place:Ahmedbad
Date: 16.05.2023

Dinesh Hridaynarain Awasthi
Director
Din:00415781
Place:Ahmedbad
Date: 16.05.2023

Jyoti Chauhan
Company Secretary
ACS48863
Date: 16.05.2023

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Cash Flow for the Year Ended March 31, 2023

(Amount Rs. In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Cash flow from operating activities		
Net Profit/(Loss) before tax	**22.87**	**(196.50)**
Adjustments For:		
Depreciation and amortisation	22.28	7.00
Loss on discarded of Intangible Asset	9.16	-
Impairment on financial instruments	(44.26)	230.45
Net Gain on derecognition of financial instruments under amortised cost category	(48.93)	-
Interest on Unwinding of Security Deposit	(0.12)	-
Interest on Lease Liability	9.36	-
Remeasurement Gain / (Loss) on Defined Benefit Plans	1.21	4.62
Operating cash flows before working capital changes	**(28.43)**	**45.57**
(Increase) / decrease in loans	(786.38)	561.39
(Increase) / decrease in other assets	472.15	(398.38)
(Increase) / decrease in Fixed Deposits	(9.54)	(64.05)
Increase in Trade Payables	13.28	2.89
Increase in other liabilities and provisions	114.17	(0.30)
Cash generated from operations	**(224.75)**	**147.12**
Income taxes paid	(22.74)	1.09
Net cash (used in)/generated from operating activities (A)	**(247.49)**	**148.21**
(B) Cash flows from investing activities		
Purchase of Property, Plant, Equipment	(26.98)	(24.57)
Net cash (used in)/generated from investing activities (B)	**(26.98)**	**(24.57)**
(C) Cash flows from financing activities		
Proceeds from issue of equity shares (net of expenses)	1,247.89	-
Repayment of Lease Liabilities	(12.60)	-
Proceeds from issue of Debt Securities	667.00	-
Proceeds from Issue of Other Borrowings	700.00	175.01
Repayment of Other Borrowing	(1,260.25)	(162.13)
Net cash (used in)/generated from financing activities (C)	**1,342.04**	**12.88**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,067.57**	**136.52**
Cash and cash equivalents at the beginning of the Year	152.37	15.85
Cash and cash equivalents at the end of the Year	**1,219.94**	**152.37**

Cash Flow Statement has been Prepared using Indirect Method Prescribed under Ind As 7
See accompanying notes to the financial statements in terms of our report attached

As per our report of evendate,
For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: 16.05.2023

For and on behalf of the Board of Directors of Prayas Financial Services Private Limited

Abhisek Khanna
Managing Director and CEO
DIN: 09680649
Date: 16.05.2023

Bhadresh Keshavlal Rawal
Director
DIN: 06746695
Date: 16.05.2023

Dinesh Hridaynarain Awasthi
Director
Din:00415781
Place:Ahmedbad
Date: 16.05.2023

Jyoti Chauhan
Company Secretary
ACS48863
Date: 16.05.2023

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Changes in Equity for the year ended March 31, 2023

A Equity Share Capital

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No of Shares	Rs. In Lakhs	No of Shares	Rs. In Lakhs
Balance at the beginning of the reporting period	85,12,004	851.20	85,12,004	851.20
Changes during the year	1,04,16,667	1,041.67	-	-
Balance at the end of reporting period	**1,89,28,671**	**1,892.87**	**85,12,004**	**851.20**

B Other Equity

(Amount Rs. In Lakhs)

Particulars	Reserves and Surplus			
	Statutory Reserves	Securities Premium	Retained Earnings	Total
Balance as on April 01, 2021	**3.25**	**25.00**	**(46.58)**	**(18.32)**
Net Profit for the year	-	-	(191.18)	(191.18)
Remeasurement of the net defined benefit liability/asset(net of tax)	-	-	4.62	4.62
Balance as on March 31, 2022	**3.25**	**25.00**	**(233.13)**	**(204.88)**
Net Profit for the year	-	-	53.42	53.42
Money received against fresh issue of shares	-	208.33	-	208.33
Share Issue Expenses	-	(2.11)	-	(2.11)
Transferred from Retained earnings to Statutory Reserves*	10.68	-	(10.68)	-
Remeasurement of the net defined benefit liability/asset(net of tax)	-	-	1.21	1.21
Balance as on March 31, 2023	**13.94**	**231.22**	**(189.18)**	**55.98**

AS per our report of evendate,
For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: 16.05.2023

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1 Company overview

Prayas FInancial Services Private Limited (herein after referred to as 'the Company') is a Private limited company domiciled in India and is incorporated under the provisions of the Companies Act. The Company is regulated as a Systemically Important Non-Deposit Taking Non-Banking Finance ('NBFC-ND') registered with the Reserve bank of India (RBI) under Section 45-IA of the RBI Act, 1934 . The company is further classified as a Non-Banking Financial Company-Micro Finance Institution ('NBFC- MFI') with effect from February 06, 2020.

The Company is primarily engaged in business of providing micro finance services by way of loans to women who are organized as Joint Liability Groups ('JLG') and individuals in the urban areas of Gujarat, Madhya Pradesh & Rajasthan.

The Financial statements are approved for issue by the Company's Board of Directors on May 16, 2023.

2 Basis of Preparation and Presentation of Financial Statements

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, and the provisions of the RBI guidelines/regulations to the extent applicable on an accrual basis.

The financial statements up to year ended March 31, 2023 were prepared in accordance with the Accounting standards notified under the section 133 of the Companies Act, 2013 read together with the Companies (Accounting standards) Rules, 2021, as amended, and the RBI guidelines/regulations to the extent applicable (Indian GAAP or previous GAAP).

In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Company has presented reconciliations and explanations of the effects from IGAAP to Ind AS on financial position, financial performance and cash flows in the Note no. 4.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

2.3 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest Lakhs, unless otherwise indicated.

Foreign Currency Transaction and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date.

All differences arising on non–trading activities are taken to other income/ expense in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements 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. 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 financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

2.5.1 Useful lives of property, plant and equipment / Intangible Asset:

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.5.2 Effective Interest Rate (EIR) Method:

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. 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 other fee income/expense that are integral parts of the instrument.

2.5.3 Impairment of Financial Assets:

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

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2.5.4 Impairment of non-financial assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the upcoming years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2.5.5 Employee benefits:

The cost of the defined benefit and long term employee benefit plans and the present value of the related obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation, a defined benefit and long term employee benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.5.6 Expense Provisions & contingent liabilities:

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized 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. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

2.5.7 Deferred tax :

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.5.8 Presentation of financial statements :

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Ind AS and regulations issued by the RBI.

3 Significant Accounting Policies

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, where the ultimate collection of revenue lacks reasonable certainty,

Interest income and expense

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest on Non-performing assets is recognized in the year of its receipts.

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

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These includes fees and commission payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of financial liability.

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Dividend

Dividend income is recognised when the right to receive the dividend is established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

Gain or loss on derecognition of financial assets

Gain or Loss on derecognition of financial asset is recognised upfront in the year of sale and is determined as the difference between the sale price (net of selling costs) and carrying value of financial asset.

Other Income

All other incomes are recognised and accounted for on accrual basis when company satisfies the performance obligations and right to receive is established.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Changes in the expected useful life, if any, are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing property, plant and equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on tangible assets is calculated on a straight-line basis, using the rates based on the useful lives estimated by the management based on a technical evaluation, which is different from the useful life as specified in Schedule II of the Act. The Comparison between the useful life estimated by the Management and the useful life as defined in Schedule II of the Act is as follows:

Asset Class	Estimated Useful life adopted by Company	Estimated Useful life adopted by schedule II
Furniture & Fixtures	10 Years	10 Years
Vehicles	8 Years	8-10 Years
Office Equipment	5 Years	5 Years
Computers	3 Years	3 Years

Depreciation is calculated on a pro-rata basis from the day the assets are purchased / sold. Tangible assets individually costing less than Rs. 5,000 are depreciated fully in the year of purchase.

The residual value, useful live and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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3.3 Intangible assets

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development".

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the expected duration of benefit which ranges from 3 to 5 years, on a straight-line basis. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use.

The residual value, useful life and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4 Financial Instruments

3.4.1 Recognition and Initial Measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (Other than financial assets and liabilities at FVTPL) are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.4.2 Classification and Subsequent measurement

a Non-derivative financial instruments

i Financial assets carried at amortized cost

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

ii Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

iv Financial liabilities

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

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b Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

c Instruments entirely equity in nature

An option embedded in financial instruments to exchange a fixed number of the company's own equity instruments for a fixed amount of any currency are considered as equity instruments. Such instruments in financial statements are disclosed as Instruments entirely equity in nature.

3.4.3 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, 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 does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

3.4.4 Off-setting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4.5 Modification

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and / or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

3.5 Income tax

Income tax expense comprises current tax and deferred tax.

3.5.1 Current Tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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3.5.2 Deferred Tax

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Impairment

3.6.1 Financial assets

Considering the prudence, the Company recognizes impairment on financial asset on higher of the provision required as per the regulations of Reserve Bank of India or using expected credit loss (ECL) model as prescribed in Ind AS for the financial assets which are not fair valued.

The expected credit losses (ECLs) is recognized based on forward-looking information for all financial assets at amortized cost, no impairment loss is applicable on equity investments.

At the reporting date, an allowance is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognized for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of monev.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortized cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 30 days as two separate buckets.

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Stage 2: Lifetime ECL – not credit impaired
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD more than 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Stage 3: Lifetime ECL – credit impaired
Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

ECL is recognized on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Quantitative test: Accounts that are more than 30 calendar days past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Presentation of ECL allowance for financial asset:
Expected Credit Loss on Financial assets measured at amortized cost are shown as a deduction from the gross carrying amount of the assets.

Write off
Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

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3.6.2 Non-financial assets
Tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.7 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.
The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. 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 other fee income/expense that are integral parts of the instrument.

All other borrowing costs are expensed in the year they occur.
Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.8 Employee Benefits

Short term employee benefits for salary that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The company operates one defined benefit plan and one long term benefit plan for its employees, viz., gratuity plan and leave encashment plan respectively. The costs of providing benefits under the plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset). Re-measurement for defined benefit plans are recognised in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3.9 Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.10 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.11 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only be occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

3.12 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all

3.14 Lease

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the Fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets as separate line item in Non-current Assets and lease liabilities in Financial Lease obligation in the balance sheet.

<u>Short-term leases and leases of low-value assets:</u>

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of less than 12 months. The company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

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CHARTERED ACCOUNTANTS

3.15 Cash Flow Statement

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.16 Segment Reporting

The Company identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] i.e. Board of Directors, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

3.17 Share-based Payments

Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

Employee Stock Option Plan:

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

3.18 Securities issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve as permissible under section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in Securities premium reserve. Share issue expense in excess of the balance in Securities premium reserve is expensed in the Statment of Profit and Loss.

3.19 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

3.20 Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

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

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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4 Transition to Ind AS

These financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards ("Ind AS"). For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 First-Time Adoption of Indian Accounting Standards with April 01, 2021 as the transition date.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

4.1 First time adoption of Ind AS

An explanation of how transition from previous Indian GAAP ("IGAAP") to Ind AS has affected the company's financial position, financial performance and cash flows are set hereunder:
The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2023, the comparative information presented in these financial statements for the year ended 31 March 2022 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2021 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Companies Act, 2013 (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Exemptions and Exceptions availed

i Estimates
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2021 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model

ii Classification of financial assets
The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

4.2 Reconciliation between Previous GAAP and Ind AS

4.2.1 Reconciliation of equity as at March 31, 2022 and as at April 01, 2021

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2022	As at April 01, 2021
Equity as per previous GAAP	649.25	889.94
Adjustments as per IND AS		
Un-amortized Processing fees		
(i) Financial Assets	(5.79)	(14.62)
(ii) Financial Liabilities	1.41	2.89
Impairment Loss Allowances	-	(65.50)
Deferred Tax impact on above adjustements	1.46	20.16
Total Ind AS Adjustments	**(2.92)**	**(57.06)**
Equity as per Ind AS	**646.32**	**832.88**

4.2.2 Reconciliation of total comprehensive income as at March 31, 2022

(Amount Rs. In Lakhs)

Particulars	for the year ended March 31, 2022
Profit after tax as per Previous GAAP	**(240.69)**
Adjustments as per IND AS	
Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR:	
(i) Financial Assets	8.83
(ii) Financial Liabilities	(1.48)
Impact on application of Expected Credit Loss method for loan loss provisions	65.50
Reclassification of actuarial loss to Other Comprehensive Income	(4.62)
Deferred tax impact on above adjustments	(18.71)
Profit after Tax as per Ind AS	**(191.17)**
Other Comprehensive Income (net of tax)	4.62
Total Comprehensive Income as per Ind AS	**(186.55)**

4.2.3 Reconciliation of cash flow as at March 31, 2022
There are no material adjustment of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2022.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
5	**Cash and Cash Equivalents**			
5.1	Cash on hand	0.03	2.29	0.12
5.2	Balances with Banks;			
	In current accounts	1,219.91	145.77	15.72
	In bank deposits (with original maturity of three months or less)	-	4.31	-
		1,219.91	**150.08**	**15.72**
	Total	**1,219.94**	**152.37**	**15.85**
6	**Bank Balance other than (a) above**			
	Bank deposit*			
	(with original maturity of more than three months)	73.59	64.05	-
	Total	**73.59**	**64.05**	-

[Note:*Represents deposits for the current Year Rs.73.59 lakh (As at 31st March 2022 :Rs. 68.36 lakh) held as margin money against loans availed by the Company.]

Note no.	Particulars	March 31, 2023	March 31, 2022	April 01, 2021
7	Loans			
	A) Loans (at amortised cost):			
	i) Term loans	1,895.85	1,105.75	1,664.76
	ii) Others - Loan to Employees	3.17	6.90	9.25
	Total (Gross) - A	**1,899.02**	**1,112.64**	**1,674.02**
	Less : Impairment loss allowance	148.42	67.23	16.79
	Total (Net) - A	**1,750.60**	**1,045.42**	**1,657.22**
	B) i) Secured	-	-	-
	ii) Covered by bank / Government guarantees	-	-	-
	iii) Unsecured	1,899.02	1,112.64	1,674.02
	Total (Gross) - B	**1,899.02**	**1,112.64**	**1,674.02**
	Less : Impairment loss allowance	148.42	67.23	16.79
	Total (Net) - B	**1,750.60**	**1,045.42**	**1,657.22**
	C) i) Loans in India			
	a) Public Sector	-	-	-
	b) Others	1,899.02	1,112.64	1,674.02
	Total (Gross) - C	**1,899.02**	**1,112.64**	**1,674.02**
	Less : Impairment loss allowance	148.42	67.23	16.79
	Total (Net) - C (i)	**1,750.60**	**1,045.42**	**1,657.22**
	ii) Loans outside India			
	Less : Impairment loss allowance	-	-	-
	Total (Net) - C (ii)	**1,750.60**	**1,045.42**	**1,657.22**
	Total (Net) - C (i+ii)	**1,750.60**	**1,045.42**	**1,657.22**
8	**Other Financial Assets**			
	Unsecured and Considered Good			
	Rental Deposits	3.32	0.45	0.21
	Security Deposit with BC Partner*	10.92	494.92	338.71
	Receivable from BC Partner	4.00	39.56	-
	Interest Spread on Assignment	48.94	-	-
	Fees Receivable	71.66	-	-
	Other Receivable	153.62	53.73	39.86
	Total (A)	**292.46**	**588.66**	**378.77**
	Unsecured and Considered doubtful			
	Security Deposit with BC Partner*	29.54	245.51	65.50
	Receivable from BC Partner	90.52	-	-
	Less: Provision for Doubtful Receivable	(120.06)	(245.51)	(65.50)
	Total (B)	-	-	-
	Total (A+B)	**292.46**	**588.66**	**378.77**

[Note:*Represents deposits given to BC Partner against BC Agreement for the purpose of Servicing Loan Portfolio.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2023

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
9	**Other Non Financial Assets**			
	Prepaid Expenses	1.48	1.43	1.64
	Staff Advances	1.56	9.40	0.72
	Total	**3.04**	**10.83**	**2.36**
10	**Significant component of income tax expenses for the year ended March 31,2023 and March 31,2022**			
	Current tax	-	-	-
	Deferred tax due to origination of temporary difference	(37.56)	(5.32)	-
	Adjustments of earlier year tax	7.01	-	-
	Total	**(30.55)**	**(5.32)**	-
10.1	**The details of income tax assets and liabilities and Deferred tax liabilities/asset :**			
	Advance Income Tax	36.74	21.01	22.10
	Income Tax Provisions	-	-	-
	Tax Recoverable (Net)	**36.74**	**21.01**	**22.10**
	Deffered Tax Asset	67.57	32.21	25.28
	Deffered Tax Liabilties	(0.39)	(2.59)	(0.98)
	Deffered Tax Assets (Net)	**67.18**	**29.62**	**24.30**

Note no.	Particulars	As at 31st March 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 31st March, 2023
10.2	**Deferred Tax Assets / (Liabilities)**				
	Tax effect of items constituting deferred tax assets				
	Application of EIR on financial assets	1.46	(1.46)	-	-
	Allowance for ECL	-	67.57	-	67.57
	Preliminory Expense	(0.81)	0.81	-	-
	Provision on Expense	31.57	(31.57)	-	-
	Tax effect of items constituting deferred tax liabilities				
	Depreciation & Amortization on property, plant and equipment / Intangible assets	(2.59)	2.20	-	-0.39
		29.62	**37.56**	-	**67.18**
	Net Deferred Tax Assets	**29.62**	**37.56**	-	**67.18**

Particulars	As at 1st April 2021	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 31st March, 2022
Deferred Tax Assets / (Liabilities)				
Tax effect of items constituting deferred tax assets				
Application of EIR on financial assets	3.68	(2.22)	-	1.46
Allowance for ECL	16.48	(16.48)	-	-
Preliminory Expense	1.22	(2.03)	-	(0.81)
Provision on Expense	3.90	27.67	-	31.57
Tax effect of items constituting deferred tax liabilities				
Depreciation & Amortization on property, plant and equipment / Intangible assets	(0.98)	(1.61)		(2.59)
	24.30	**5.32**	-	**29.62**
Net Deferred Tax Assets	**24.30**	**5.32**	-	**29.62**

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2023

(Amount Rs. In Lakhs)

Note no.	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
10.3	**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:**		
	Accounting Profit Before tax	22.87	(196.50)
	Normal Rate of Tax	22%	22%
	Tax liability on accounting profit	**5.03**	**(43.23)**
	Tax Effect of Non deductible Expenses	5.41	52.53
	Tax Effect of Deductible Expenses	(18.86)	3.19
	Carried forward losses	8.42	(12.49)
	Deferred tax on temporary differences	(37.56)	(5.32)
	Adjustment of earlier year tax	7.01	-
	Total income tax expense	**(30.55)**	**(5.32)**

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2023

11 Property Plant and Equipments

(Amount Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Furniture and fixtures	5.72	2.11	-	7.84	0.14	0.66	-	0.80	7.04	5.58
Office equipment	5.46	4.43	-	9.88	0.77	1.29	-	2.06	7.83	4.69
Computer	20.33	20.44	-	40.77	2.93	8.56	-	11.49	29.27	17.40
Vehicles	9.32	-	-	9.32	2.16	1.11	-	3.27	6.05	7.16
Total	**40.83**	**26.98**	-	**67.81**	**6.00**	**11.62**	-	**17.62**	**50.19**	**34.82**

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at April 01, 2021
Furniture and fixtures	0.58	5.15	-	5.72	0.01	0.13	-	0.14	5.58	0.57
Office equipment	2.20	3.26	-	5.46	0.15	0.62	-	0.77	4.69	1.10
Computer	4.16	16.16	-	20.33	0.61	2.32	-	2.93	17.40	4.50
Vehicles	9.32	-	-	9.32	1.06	1.11	-	2.16	7.16	8.26
Total	**16.26**	**24.57**	-	**40.83**	**1.83**	**4.18**	-	**6.00**	**34.82**	**14.43**

12 Other Intangible Assets

Particulars	Gross block				Depreciation				Net block	
	As at 1st April,2022	Additions	Disposals	As at March 31, 2023	As at 1st April,2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Software	14.87	-	14.87	-	2.89	2.83	5.71	-	-	11.98
Total	**14.87**	-	**14.87**	-	**2.89**	**2.83**	**5.71**	-	-	**11.98**

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at April 01, 2021
Software	14.87	-	-	14.87	0.06	2.83	-	2.89	11.98	14.81
Total	**14.87**	-	-	**14.87**	**0.06**	**2.83**	-	**2.89**	**11.98**	**14.81**

During the year ended March 31, 2023, Software which was not in use ,having a Gross book value of Rs. 14.87 Lakhs. has been retired.

13 Right of Use of Asset

(Amount Rs. In Lakhs)

Particulars	Buildings
Balance As at March 31, 2021	-
Addition during the Year	-
Amortisation during the Year	-
Balance as at March 31, 2022	-
Addition during the Year	211.62
Amortisation during the Year	7.84
Balance as at March 31, 2023	203.78

MANUBHAI & SHAH LLP ✲ CHARTERED ACCOUNTANTS

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2023	March 31, 2022	April 01, 2021
14	**Trade Payables**			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22.05	8.77	5.88
	Total	**22.05**	**8.77**	**5.88**
14	**Lease Obligation**			
	Lease liabilities	202.03	-	-
	Total	**202.03**	**-**	**-**

14.2 Trade Payable Aging Schedule

As at March 31, 2023

(Amount Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	22.05				22.05
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**22.05**	**-**	**-**	**-**	**22.05**
Unbilled	-	-	-	-	-
Not Due	-	-	-	-	-
Grand Total	**22.05**	**-**	**-**	**-**	**22.05**

As at March 31, 2022

(Amount Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	8.77	-	-	-	8.77
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**8.77**	**-**	**-**	**-**	**8.77**
Unbilled	-	-	-	-	-
Not Due	-	-	-	-	-
Grand Total	**8.77**	**-**	**-**	**-**	**8.77**

As at April 01, 2021

(Amount Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	5.88	-		-	5.88
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**5.88**	**-**	**-**	**-**	**5.88**
Unbilled	-	-	-	-	-
Not Due	-	-	-	-	-
Grand Total	**5.88**	**-**	**-**	**-**	**5.88**

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
14.3	**Disclosure in respect of Micro and Small Enterprises :**			
A	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-	-
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	-	-	-
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.	-	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act. This has been relied upon by the auditors.

Note no.	Particulars	March 31, 2023	March 31, 2022	April 01, 2021
15	**Other Financial Liabilities**			
	Salary Payable to Employee	60.64	36.61	16.75
	Interest accrued but not due on borrowings	15.52	-	-
	Other Liabilities	61.13	11.16	37.42
	Total	**137.30**	**47.77**	**54.17**
16	**Provisions**			
	Provision for employee benefits			
	Compensated absences	7.12	-	-
	Provision for Gratuity	13.87	7.04	7.38
	Total	**20.99**	**7.04**	**7.38**
17	**Other Non-financial liabilities**			
	Statutory Remittances	23.50	12.29	6.03
	Other Liability	-	0.52	0.34
	Total	**23.50**	**12.81**	**6.37**
18	**Debt Securities**			
	Non-Convertible Debentures (At Amortised Cost)	667.00	-	-
	Total (a)	**667.00**	-	-
	Debt Securities in India	667.00	-	-
	Debt Securities outside India	-	-	-
	Total (b)	**667.00**	-	-

Details of Securities:

Particulars	Rate of Interest	Term of repayment of loan
IDBI Trusteeship Services Ltd. Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	12%	Principal Repayable after 13 months

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
19	**Borrowings (Other than Debt Securities)**			
	(a) Term loans (Secured)			
	(i) from banks (At Amortized Cost)	-	-	-
	(ii) from other parties (At Amortized Cost)	679.44	1,237.46	1,226.06
	Total	**679.44**	**1,237.46**	**1,226.06**
	Less: Unamortised transaction costs_Borrowings	(3.64)	(1.41)	(2.89)
	Total	**675.80**	**1,236.05**	**1,223.16**
	Total (A)	**675.80**	**1,236.05**	**1,223.16**
	Borrowings in India	675.80	1,236.05	1,223.16
	Borrowings outside India	-	-	-
	Total (B)	**675.80**	**1,236.05**	**1,223.16**

Terms and Conditions of Borrowings

(Amount Rs. In Lakhs)

Name of the lender	March 31, 2023	March 31, 2022	April 01, 2021	Residual Maturity	Rate of Interest
Secured loan from others (Refer Note 19.1)					
Incred Financial Services Limited TL	200.00	-		1.5 Years	14.75%
Mas Financial Services Ltd TL 1	-	20.83	70.83	-	-
Mas Financial Services Ltd TL 2	-	83.07	183.08	-	-
Vivitri Capital	458.33	-	-	2 Years	15.00%
Arohan Finance	10.33	62.09	-	0.25 Years	14.00%
Friends Of Wwb India	-	34.78	86.96	-	-
Mi India Capital & Investment	-	75.00	126.14	-	-
Prayas Organisation AOP	-	840.25	717.26	-	-
Prayas Trust Social Grant	-	71.72	41.78	-	-
Usha Finance	10.77	49.71	-	0.25 Years	16.50%
Total (A)	**679.44**	**1,237.46**	**1,226.06**		
Unamortised Transaction Costs (B)	**(3.64)**	**(1.41)**	**(2.89)**		
Total (A + B)	**675.80**	**1,236.05**	**1,223.17**		

Notes:

Note 19.1 The Company has not taken any borrowing from Banks.

Note 19.2 The Company has not defaulted in repayment of Principal as well as Interest in terms of borrowings outstanding as at Balance sheet Date.

Note 19.3 Borrowings have been measured at Amortised Cost. There are no borrowings measured at FVTPL or designated as FVTPL as at Balance sheet Date.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

20 Equity share capital

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Authorised:			
2,00,00,000 (As at March 31, 2022: 2,00,00,000 ,As at April 01, 2021: 90,00,000) Equity Shares of Rs. 10 each, Fully Paid up.	2,000.00	2,000.00	900.00
Total	**2,000.00**	**2,000.00**	**900.00**
Issued, subscribed and paid-up:			
1,89,28,671 (As at March 31, 2022: 85,12,004 ,As at April 01, 2021: 85,12,004) Equity Shares of Rs. 10 each, fully Paid-up	1,892.87	851.20	851.20
Total	**1,892.87**	**851.20**	**851.20**

20.1 Reconciliation of Shares outstanding at the beginning and at the end of the reporting period:

(Amount Rs. In Lakhs)

Particulars	Number of Shares	Amount (Rs.)
As at April 01, 2021	85,12,004	851.20
Addition during the year	-	-
Movement during the year	-	-
Balance as at March 31, 2022	85,12,004	851.20
Addition during the year	104,16,667	1,041.67
Movement during the year	-	-
Balance as at March 31, 2023	189,28,671	1,892.87

20.2 Rights, Preferences and restrictions attached to Equity Shares

1. The Company has only one class of Equity shares having a par value of Rs. 10 pre Equity share. All Equity shares rank equally with regard to dividends and share in the company's residual assets.

2. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of Equity Shares held.

20.3 Particulars of Shareholder holding more than 5% of Equity Shares of Rs.10 each fully paid up:

Name of the Shareholder	Bhadresh Rawal	Ananya Finance for Inclusive growth Private Limited	Prayas Organisation (AOP)
As at April 01, 2021			
Number of Shares	5,08,914	5,00,000	70,03,090
% of holding	5.98%	5.87%	82.27%
As at March 31, 2022			
Number of Shares	5,08,914	5,00,000	70,03,090
% of holding	5.98%	5.87%	82.27%
As at March 31, 2023			
Number of Shares	-	105,00,000	70,03,090
% of holding	-	55.47%	37.00%

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

20.4 Shares held by promoters:

Promoter's Name	No. of Shares	% of total shares	% change during the year
As at April 01, 2021			
Bhadresh Rawal	5,08,914	5.98%	-
Prayas Organisation (AOP)	70,03,090	82.27%	-
As at March 31, 2022			
Bhadresh Rawal	5,08,914	5.98%	-
Prayas Organisation (AOP)	70,03,090	82.27%	-
As at March 31, 2023			
Bhadresh Rawal	9,25,581	4.89%	(1.09%)
Prayas Organisation (AOP)	70,03,090	37.00%	(45.28%)
Ananya Finance for Inclusive growth Private Limited	1,05,00,000	55.47%	49.6%

During this year, the Company has issued 1,04,16,667 equity shares, out of which, the company has allotted 1,00,00,000 Equity Shares to Ananya Finance for Inclusive Growth Private Limited (AFIGPL) and thereby AFIGPL now holds legal and beneficial ownership of 55.47% of the total paid up equity share capital of the Company and hence the company has become subsidiary company of AFIGPL.

20.5 Company has not issued any shares for consideration other than Cash, during the period of 5 years immediately preceding the reporting date

21 Other Equity (Amount Rs. In Lakhs)

Particulars	March 31, 2023	March 31, 2022	April 01, 2021
Statutory Reserves			
Opening Balance	**3.25**	**3.25**	-
Transer from Retained Earning during the year	10.68	-	3.25
Closing Balance	**13.94**	**3.25**	**3.25**
Securities Premium			
Opening Balance	**25.00**	**25.00**	-
Money received against Equity issue of share	208.33	-	-
Share Issue Expenses	(2.11)	-	-
Closing Balance	**231.22**	**25.00**	**25.00**
Retained Earnings			
Opening Balance	**(233.13)**	**(46.58)**	-
Net Profit for the year	53.42	(191.17)	-
Transferred from Retained earnings to Statutory Reserves	(10.68)	-	-
Remeasurement of the net defined benefit	1.21	4.62	-
Closing Balance	**(189.18)**	**(233.13)**	**(46.58)**
Total	**55.98**	**(204.88)**	**(18.32)**

Description of the nature and purpose of Other Equity :

a Statutory reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

b Securities premium

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

c Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. In Lakhs)

Note no.	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
22	**Interest Income**		
	On Financial Assets measured at Amortized Cost		
	Interest on Loans	367.46	381.56
	Interest on Deposit	62.49	29.37
	Interest on Unwinding of Security Deposit	0.12	-
	Total	**430.07**	**410.93**
23	**Net Gain / (Loss) on derecognition of financial instruments under amortised cost category**		
	Income from assignment of Loans	48.93	-
	Total	**48.93**	**-**
24	**Fees & Commission Income**		
	Commission Income	723.52	273.36
	Total	**723.52**	**273.36**
25	**Other Income**		
	Miscellaneous Income	1.25	1.74
	Interest on Staff Loan	0.41	0.45
	Total	**1.67**	**2.19**
26	**Finance Costs**		
	On Financial Liabilities measured at Amortised Cost		
	Interest on borrowings other than debt securities	190.62	189.13
	Interest on debt securities	9.87	-
	Interest expense on Lease Liabilities	9.36	-
	Other borrowing cost	6.62	7.22
	Total	**216.47**	**196.35**
	Note:- There is no financial liability measured at FVTPL.		
27	**Fees and Commission Expense**		
	Commission Expense	1.44	-
	Total	**1.44**	**-**
28	**Impairment on financial instruments/(Reversal of Impairment)**		
	Loans (At Amortized Cost)	(44.26)	230.45
	Total	**(44.26)**	**230.45**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. In Lakhs)

Note no.	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
29	**Employee Benefits Expenses**		
	Salaries and wages	534.25	275.18
	Contribution to provident and other funds	26.66	8.96
	Gratuity Expense	8.04	4.62
	Compensated Absences	7.12	-
	Staff welfare expenses	3.46	2.81
	Total	**579.53**	**291.57**
30	**Other expenses**		
	Rent, taxes and energy costs	57.01	33.28
	Repairs and maintenance	5.10	4.92
	Communication Costs	10.61	5.20
	Printing and stationery	6.57	6.46
	Advertisement and publicity	-	0.10
	Director's fees, allowances and expenses	1.36	-
	Auditor's fees and expenses	8.79	5.66
	Legal and Professional charges	171.46	36.35
	Insurance	1.14	1.84
	Software Expense	24.25	6.21
	Office Expenses	38.33	23.50
	Travelling Expenses	57.03	31.06
	Loss on discarded of Intangible Asset	9.16	-
	Donation Expense	1.00	2.85
	Miscellaneous Expense	14.05	0.19
	Total	**405.86**	**157.61**
30.1	**Payment to auditors :-**		
	- for statutory audit	5.45	2.20
	- for Limited Review, Certificates and other services	3.34	3.46
	Total	8.79	5.66

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

31 **Disclosure as required by Indian Accounting Standard (IND-AS) 33 Earnings per Share**

(Amount Rs. In Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net profit/(loss) for the year for basic EPS	53.42	(191.18)
Net profit/(loss) for the year for diluted EPS	53.42	(191.18)
Weighted average no. of shares (In nos.) for basic EPS	167.03	85.12
Weighted average no of shares for diluted EPS	167.03	85.12
Face value of equity shares	10.00	10.00
Earning Per Share (Basic)	**0.32**	**(2.25)**
Earning Per Share (Diluted)	**0.32**	**(2.25)**

32 **Contingent liability**

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Claims against the company not acknowledge as debt	Nil	Nil	Nil

33 **Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.
The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and is considered to be the only reportable business segment. Further, The Company is operating in India which is considered as a single geographical segment.

34 **Leases**

The Company has taken office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. The Company has given refundable interest free security deposits in accordance with the agreed terms. All the leases of the company are short term lease (i.e. tenure of less than 1 year) except one lease with a tenure of 9 years and a lock in of 3 years. Maturity Analysis of such lease is as stated below

Maturity Analysis of Lease Liabilities

(Amount Rs. In Lakhs)

Particulars	As at		
	March 31, 2023	March 31, 2022	April 01, 2021
Upto 3 months	8.89		
Over 3 months upto 1year	26.68	-	-
Over 1 year upto 3 years	72.91	-	-
Over 3 years upto 5 years	81.81	-	-
Over 5 years	168.38	-	-
Total	**358.67**	-	-

Lease Liability movement (Amount Rs. In Lakhs)

Particulars	Lease Liability
As at 1st April, 2021	-
Addition during the year	-
Interest on Lease Liability	-
Lease rent paid for the year	-
As at 31st March, 2022	-
Addition during the year	204.52
Interest on Lease Liability	9.36
Lease rent paid for the year	11.86
As at 31st March, 2023	**202.03**

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

Amount Recognised in Statement of Profit & Loss

(Amount Rs. In Lakhs)

Particulars	For the Year ended March	For the Year ended March
Interest on Lease Liabilities	9.36	-
Amortisation of ROU Assets	7.84	-
Expense related to Short-term Leases	52.53	30.39

Amount Recognised in Statement of Cash Flows

(Amount Rs. In Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Under Financing activities (Repayment of lease liability)	12.60	-
Under Operating activities (Short term leases)	52.53	30.39
Total cash outflow for leases	**65.13**	**30.39**

35 Related party disclosures

35.1 Related party

(a) Ultimate Holding Company

Gojo & Co.	Ultimate Holding Company (w.e.f.form 16th June 2022)

(b) Holding Company

Ananya Finance Inlcusive growth Private Limited	Holding Company (w.e.f.form 16th June 2022)

(c) Name of Key Management Personnel of Company :

1	Bhadreshkumar Keshavlal Rawal	Managing Director (till 16th June 2022) Director (from 17th June 2022)
2	Dineshnarain Haridayanarain Awasthi	Director
3	Chirag Patel	Chief Finance officer (till 16th June 2022)
4	Charmi Shah	Company Secretary (till 9th Nov, 2022)
5	Jyoti Singh Chauhan	Company Secretary (from 10th Nov, 2022)

(d) Name of Key Management Personnel of Holding Company :

1	Gaurav Gupta	Key Managerial Person ("KMP")
2	Pranav Desai	Key Managerial Person ("KMP")
3	Lavina Parikh	Key Managerial Person ("KMP")
4	Divya Rathi	Key Managerial Person ("KMP")

(e) Relative of KMP of Company

Sunitaben Rawal	Relative of Director

(f) Enterprises over which KMP have significant infulence

1	Prayas Organization (AOP)	Group Concern
2	Prayas Organization For Sustainable Development (Trust)	Group Concern
3	Prayas Organization For Sustainable Development - Section 8	Group Concern

35.2 Particulars of related party transactions

(Amount Rs. In Lakhs)

Name of the related party And nature of transaction	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Bhadresh Rawal	4.62	19.90
Payment of Remuneration		
Issue of Equity Share	50.00	
Payment of Professional Fees	20.37	-
Sunitaben Rawal		
Rent Expense	1.80	1.80
Prayas Organization For Sustainable Development		
Commission Income	2.02	54.48
Loan Taken	31.00	31.50
Loan Repaid	103.67	7.03
Interest Expense on loan	1.06	5.46
Interest Income on Security Deposits	1.81	9.04
Security Deposits Received back	105.45	202.48
Rent Expense	12.54	12.54

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. In Lakhs)

Name of the related party And nature of transaction	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Prayas Organization (AOP)		
Loan Taken	701.09	240.90
Loan Repaid	1,673.42	224.38
Interest Expense on loan	138.80	106.47
Prayas Organization For Sustainable Development - Section 8		
Rent Expense	1.80	1.80
Ananya Finance For Inclusive Growth Private limited		
Commission Income	436.88	116.41
Issue of Equity Share	1,200.00	-
Security Deposits Placed	245.00	-
Security Deposits Received back	584.41	-
Security Deposits Adjusted	102.39	-
Interest Income on Security Deposits	24.81	
Guarantee Fee Expense	1.43	-
Payment of Professional Fees	72.80	-
Gaurantee Received	700.00	-
Chirag Patel		
Remuneration	2.45	8.85
Charmi Shah		
Remuneration	2.54	4.20
Jyoti Singh Chauhan		
Remuneration	3.70	-

Related parties as defined under para 9 of Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

35.3 **Balances Outstanding at the end of the year:**

(Amount Rs. In Lakhs)

Name of the related party And nature of transaction	Closing balance as on		
	March 31, 2023	March 31, 2022	April 01, 2021
Prayas Organisation for Sustainable Development			
Borrowing	-	71.72	41.78
Security Deposit & Accrued Interest there on.	-	103.83	297.27
Prayas Organization For Sustainable Development - Section 8			
Amount payable in course of Intermediary Services	-	10.22	16.76
Amount receivable in course of Intermediary Services	0.08	-	-
Prayas Organisation (AOP)			
Borrowing	-	840.25	717.26
Ananya Finance For Inclusive Growth Private limited			
Commission Income Receivable	91.64	19.19	0.42
Balance of Security Deposit	30.94	472.74	102.07
Interest Accrued on Security Deposit	1.32	9.71	-
Gaurantee Expense Payable	1.48	-	-
Loan Processing fees , Insurance & Other Receivable	72.16	3.21	-
Salary Reimbursument Payable	7.21	-	-
Balance of Gaurantee received	700.00	-	-
Amount Payable for BC Operation	4.55	0.24	0.42

35.4 **Details of related party transactions with Key Management Personnel (KMP) are as under :**

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. The Company considers its Managing Director, Chief Financial Officer and Company Secretary to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

(Amount Rs. In Lakhs)

Particulars	Nature of Transaction	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Name of the KMP :			
Bhadresh Rawal	Gross Salary including perquisites	4.62	19.90
	Payment of Professional fees	20.37	-
Chirag Patel	Gross Salary including perquisites	2.45	8.85
Charmi Shah	Gross Salary including perquisites	-	4.20
Jyoti Singh Chauhan	Gross Salary including perquisites	-	-

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

36 **Fair Value Measurements:**

a) **Measurement of fair values:**

(i) **Levels 1, 2 and 3**

Level 1 : Financial Instrument which are actively traded in the market are included in Level 1.

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

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

(ii) There have been no transfers between Level 1 and Level 2 during the years.

b) **Accounting classification and fair values**

The following table analyses financial instruments measured at fair value at the reporting date along with Accounting classification of the same, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Valuation methodologies of financial instruments measured at fair value

Below are the valuation methodologies and assumptions used to determine fair value for the financial instruments which are not recorded and measured at fair value in the company's financial statements.

Loans

The fair values of instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of government Security through the discounting factor.The Fair value for Instruments ,which are credit impaired, is assumed as carrying value less provision for expected credit loss.The fair value are calculated for disclosure purpose only.

Borrowings (Other than Debt Securities)

The fair values of fixed interest rate instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the estimated/proxy yields government Security through the discounting factor. while fair value of floating rate instruments is deemed to equal to its carrying value.The fair value are calculated for disclosure purpose only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables. For debt securites with maturity of less than one year fair value is considered same as carrying value.

As at March 31, 2023

(Amount Rs. In Lakhs)

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	1,219.94	-	-	1,219.94	-	-	-	-
Other Bank Balance*	73.59	-	-	73.59	-	-	-	-
Loans	1,750.60	-	-	1,750.60	-	-	1,744.39	1,744.39
Other Financial assets*	292.46	-	-	292.46		-	-	-
Total Financial Assets	**3,336.59**	**-**	**-**	**3,336.59**		**-**	**1,744.39**	**1,744.39**

As at March 31, 2023

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Trade Payables*	22.05	-	-	22.05	-	-	-	-
Lease Obligation*	202.03	-	-	202.03	-	-	-	-
Debt Securities*	667.00	-	-	667.00	-	-	667.73	667.73
Borrowings (Other than Debt Securities)	675.80	-	-	675.80	-	-	679.16	679.16
Other financial liabilities*	137.30	-	-	137.30	-	-	-	-
Total Financial Liabilities	**1,704.18**	-	-	**1,704.18**	-	-	**1,346.88**	**1,346.88**

* Fair Value of Cash & Cash equivalents , other bank Balance. Other financial assets, Trade payables, lease laibility , Debt Securities and Other financial liabilities approximates the carrying cost.

As at March 31, 2022

(Amount Rs. In Lakhs)

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	152.37	-	-	152.37	-	-	-	-
Other Bank Balance*	64.05	-	-	64.05	-	-	-	-
Loans	1,045.42	-	-	1,045.42	-	-	1,035.95	1,035.95
Other Financial assets*	588.66	-	-	588.66	-	-	-	-
Total Financial Assets	**1,850.50**	-	-	**1,850.50**	-	-	**1,035.95**	**1,035.95**
Trade Payables*	8.77	-	-	8.77	-	-	-	-
Lease Obligation*	-	-	-	-	-	-	-	-
Debt Securities*	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	1,236.05	-	-	1,236.05	-	-	1,246.50	1,246.50
Other financial liabilities*	47.77	-	-	47.77	-	-	-	-
Total Financial Liabilities	**1,292.59**	-	-	**1,292.59**	-	-	**1,246.50**	**1,246.50**

* Fair Value of Cash & Cash equivalents , other bank Balance. Other financial assets, Trade payables, lease laibility , Debt Securities and Other financial liabilities approximates the carrying cost.

As at April 01, 2021

(Amount Rs. In Lakhs)

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	15.85	-	-	15.85	-	-	-	-
Other Bank Balance*	-	-	-	-	-	-	-	-
Loans	1,657.22	-	-	1,657.22	-	-	1,649.26	1,649.26
Other Financial assets*	378.77	-	-	378.77	-	-	-	-
Total Financial Assets	**2,051.84**	-	-	**2,051.84**	-	-	**1,649.26**	**1,649.26**
Trade Payables*	5.88	-	-	5.88	-	-	-	-
Lease Obligation*	-	-	-	-	-	-	-	-
Debt Securities*	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	1,223.16	-	-	1,223.16	-	-	1,242.80	1,242.80
Other financial liabilities*	54.17	-	-	54.17	-	-	-	-
Total Financial Liabilities	**1,283.21**	-	-	**1,283.21**	-	-	**1,242.80**	**1,242.80**

* Fair Value of Cash & Cash equivalents , other bank Balance. Other financial assets, Trade payables, lease laibility , Debt Securities and Other financial liabilities approximates the carrying cost.

37 Financial Risk Management:

37.1 Risk Management

The company has a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The company has established procedures to periodically place before the Risk Management Committee and Board of Directors, the risk assessment and minimisation procedures being followed by the company and steps taken by it to mitigate these risks. The Risk Management processes has been established across the company and are continuously reviewed improved and adapted to the changing risk landscape.

The company's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that have been designed to be commensurate with its business of lending in Microfinance and endeavours to manage the various risks in the business including Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risks.

(A) Credit risk

Credit Risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. The company has a comprehensive framework for monitoring credit quality of its portfolio based on days past due monitoring at period end. Repayment by customers is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

The company's entire exposure is to direct retail borrowers in the Microfinance industry. Thus, the company is directly and indirectly exposed to borrowers typically having limited sources of income, savings and credit histories and the loans are typically provided free of collateral. The borrowers generally do not have a high level of financial resilience and as a result they can be adversely affected by declining economic conditions and natural calamities.

The company reviews the credit quality of its loans based on the ageing of the loan at the period end and takes the same into consideration while calculating its ECL allowances.

The company has, based on current available information and based on the policy approved by the Board of Directors, determined the provision for impairment of financial assets.

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into lending business to retail borrowers, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(Amount Rs. In Lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on 31st March, 2023
Cash and cash equivalents	-	-	-	1,219.94	1,219.94
Bank Balance other than (a) above	-	-	-	73.59	73.59
Loans*	1,741.86	6.14	145.51	3.17	1,896.68
Other Financial assets	-	-	-	292.46	292.46

*Loans comprises of outstanding principal, interest accrued but not due less EIR

(Amount Rs. In Lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on 31st March, 2022
Cash and cash equivalents	-	-	-	152.37	152.37
Bank Balance other than (a) above	-	-	-	64.05	64.05
Loans*	1,077.24	16.95	16.14	6.90	1,117.23
Other Financial assets	-	-	-	588.66	588.66

*Loans comprises of outstanding principal, interest accrued but not due less EIR

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. In Lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on 1st April, 2021
Cash and cash equivalents	-	-	-	15.85	15.85
Loans*	1,677.98	1.41	-	9.25	1,688.65
Other Financial assets	-	-	-	378.77	378.77

*Loans comprises of outstanding principal, interest accrued but not due less EIR

Financial assets measured using simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, Investments, and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(B) Collateral held

The Company provide Loan without taking collateral security.

(C) Impairment Loss

The following table shows reconcilation from opening balance to closing balance of the loan loss allowances

(Amount Rs. In Lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross loan exposure at risk as at 1st April, 2021	1,677.98	1.41	-	1,679.39
Expected Credit Loss	16.78	0.01	-	16.79
Carrying amount as at 1st April, 2021 (net of impairment provision)	**1,661.20**	**1.39**	**-**	**1,662.60**
Gross loan exposure at risk as at 31st March, 2022	1,077.24	16.95	16.14	1,110.33
Expected Credit Loss	42.39	8.70	16.14	67.23
Carrying amount as at 31st March, 2022 (net of impairment provision)	**1,034.85**	**8.26**	**0.0**	**1,043.11**
Gross loan exposure at risk as at 31st March, 2023	1,741.86	6.14	145.51	1,893.51
Expected Credit Loss	1.90	1.01	145.51	148.42
Carrying amount as at 31st March, 2023 (net of impairment provision)	**1,739.96**	**5.13**	**-**	**1,745.09**

Reconciliation of Gross Exposure

(Amount Rs. In Lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross carrying amount balance as at 1st April, 2021	**1,677.98**	**1.41**	**-**	**1,679.39**
- New loans disbursed during the year	614.87	10.83	8.75	634.45
- Loans closed/written off during the year	(459.48)	-0.00	0.00	(459.48)
- Movement in EAD without change inasset staging	(733.14)	-	-	(733.14)
- Movement in EAD due to change inasset staging	(23.00)	4.72	7.39	(10.89)
Gross carrying amount balance as at 31st March, 2022	**1,077.24**	**16.95**	**16.14**	**1,110.33**
- New loans disbursed during the year	1,651.86	3.64	105.90	1,761.40
- Loans closed/written off during the year	(706.96)	(9.26)	(0.75)	(716.97)
- Movement in EAD without change inasset staging	(243.03)	(0.14)	(1.19)	(244.36)
- Movement in EAD due to change inasset staging	(37.25)	(5.05)	25.41	(16.89)
Gross carrying amount balance as at 31st March, 2023	**1,741.86**	**6.14**	**145.51**	**1,893.51**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Reconciliation of ECL Balance

(Amount Rs. In Lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
ECL Allowance as at 1st April, 2021	**16.78**	**0.01**	-	**16.79**
- New loans disbursed during the year	28.51	0.15	8.86	37.52
- Loans closed/written off during the year	(21.52)	7.34	(0.21)	(14.39)
- Movement in position without change in asset staging	18.66	-	-	18.66
- Movement in position due to change in asset staging	(0.04)	1.19	7.49	8.64
ECL Allowance as at 31st March, 2022	**42.39**	**8.70**	**16.14**	**67.23**
- New loans disbursed during the year	7.96	1.34	105.35	114.65
- Loans closed/written off during the year	(28.35)	(5.55)	0.00	(33.90)
- Movement in position without change in asset staging	(7.30)	(0.08)	(1.40)	(8.78)
- Movement in position due to change in asset staging	(12.80)	(3.39)	25.41	9.22
ECL Allowance as at 31st March, 2023	**1.90**	**1.01**	**145.51**	**148.42**

(D) Write off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is Rs. Nil lakhs (P.Y. Rs. Nil).

(E) Credit risk grading of loans

Company's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that lays down steps to manage the various risks in the business including Credit risk.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below.

Credit grading details (Amount Rs. In Lakhs)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2023	1,741.86	6.14	145.51	1,893.51
March 31, 2022	1,077.24	16.95	16.14	1,110.33
April 01, 2021	1,677.98	1.41	-	1,679.39

(F) Concentration of credit risk

Since the company is into lending business of Microfinance Loans, there is no significant Concentration risk of any individual customer that may impact company adversely.

Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2023, the Company had sold some loans measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Financial assets derecognised during the year	613.78	-	-
Gain from derecognition	48.93	-	-

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(G) 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 comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits and loans.

Within the various methodologies to analyze and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- parallel shift of 50-basis points of the interest rate yield curves in major currencies.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis:
The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

(i) 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 seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities that are exposed to Interest Rate Risk has been provided below:

Exposure to interest rate risk

(Amount Rs. In Lakhs)

Particulars	As at		
	March 31, 2023	March 31, 2022	April 01, 2021
Floating Rate Borrowings			
Financial Liabilities	658.33	116.41	266.42

All loans disbusred by the Company are on fixed rate of interest .

Interest rate sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax (Amount Rs. In Lakhs)

Particulars	March 31, 2023	March 31, 2022
Increase in 50 basis points	(2.46)	(0.44)
Decrease in 50 basis points	2.46	0.44

(ii) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is mainly transacting in Indian Rupee (INR), which is the functional currency of the company. Consequently, the Company is not exposed to any foreign exchange risk.

(iii) Other Price Risk
The Entity is exposed to price risks arising from its investments which are held for trading purposes. The sensitivity analysis have been determined based on the exposure to price risks for Investments in Mutual Funds at the end of the reporting period.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS

(H) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing from both banks and financial institutions at an optimised cost. The Company has the discretion over disbursement of any undrawn portion of sanctioned loans to its borrower i.e. borrowers don't have an unconditional drawdown right over undrawn portion of the sanctioned loan and hence company is not expecting any liquidity risk in terms of undrawn sanctioned limits.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

(i) Maturities of financial liabilities

(Amount Rs. In Lakhs)

Particulars	Carrying amount	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
As at March 31, 2023									
Financial Liabilities									
Trade Payables	22.05	22.05	-	-	-	-	-	-	-
Lease Liability	202.03	0.64	0.65	0.66	2.02	4.25	40.62	47.80	105.40
Debt Securities	667.00	-	-	-	-	667.00	-	-	-
Borrowings (Other than Debt Securities)	675.80	38.60	38.93	35.35	93.12	190.37	279.43	-	-
Other financial liabilities	137.30	137.30	-	-	-	-	-	-	-
Total	**1,704.18**	**198.59**	**39.58**	**36.01**	**95.13**	**861.62**	**320.05**	**47.80**	**105.40**
As at March 31, 2022									
Financial Liabilities									
Trade Payables	8.77	8.77	-	-	-	-	-	-	-
Lease Liability	-	-	-	-	-	-	-	-	-
Debt Securities	-								-
Borrowings (Other than Debt Securities)	1,236.05	142.94	23.80	98.76	189.23	760.24	21.06	-	-
Other financial liabilities	47.77	47.77							-
Total	**1,292.59**	**199.48**	**23.80**	**98.76**	**189.23**	**760.24**	**21.06**	**-**	**-**
As at April 01, 2021									
Financial Liabilities									
Trade Payables	5.88	5.88							-
Lease Liability	-								-
Debt Securities	-								-
Borrowings (Other than Debt Securities)	1,223.16	20.84	22.32	75.91	92.80	283.28	728.02		-
Other financial liabilities	54.17	54.17							-
Total	**1,283.21**	**80.88**	**22.32**	**75.91**	**92.80**	**283.28**	**728.02**		**-**

(ii) Financing Covanant

No breaches of finacial covenant has made by company for the availed loan during the finacial year 2022-23 and 2021-22.

MANUBHAI & SHAH LLP ✢ CHARTERED ACCOUNTANTS

38 Capital management:

Company's strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. It is achieved by maintaining a balance mix of Equity and Debt as may be appropriate. The Company determines the amount of funds required on the basis of operations, capital expenditure and business plans. The Capital structure is monitored on the basis of capital adequacy ratio and maturity profile of overall debt portfolio of the company. (Please refer Note 41 (A) and Note 37 (H))

For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains 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 level of dividends to equity share holders.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022

39 Break up of loan portfolio (Excluding Interest Accrual)

(Amount Rs. In Lakhs)

Loan Portfolio	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Opening Loan outstanding	1,110.33	1,679.39	-
Loans disbursed during the Year	2,638.65	1,028.20	2,040.46
A	**3,748.98**	**2,707.59**	**2,040.46**
Write off	-	-	1.21
Loans assigned during the Year	613.78	-	-
Loans recovered during the year on owned portfolio	1,241.70	1,597.26	359.85
B	**1,855.48**	**1,597.26**	**361.07**
Loans outstanding at the end of the year (A-B)	**1,893.51**	**1,110.33**	**1,679.39**
Unamortized Transaction Cost	(26.87)	(5.79)	(14.62)
Loans outstanding	**1,866.64**	**1,104.54**	**1,664.77**
Assigned Portfolio	-	-	-
Asset under Management	**1,866.64**	**1,104.54**	**1,664.77**

Details of Assignment transactions undertaken by NBFCs:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
1 No. of accounts	2,346	-	-
2 Aggregate value (net of provisions) of accounts sold	613.78	-	-
3 Aggregate consideration	609.11	-	-
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
5 Aggregate gain / loss over net book value	48.93	-	-

Purchase of Portfolio

Details of Assignment transactions undertaken by NBFCs:

Parrticulars	As at March 31, 2023	As at March 31, 2022
1 No. of Transactions	-	-
2 Aggregate value (net of provisions) of accounts Purchased	-	-
3 Aggregate consideration	-	-
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain / loss over net book value	-	-

40 Retirement Benefits

a) Employee benefit plans

The company has a defined benefit gratuity plan. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility :

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

40 (Cont'd)

Change in bond yields :

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

Inflation risk :

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy :

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

The following tables set out the status of the gratuity plan as required under Ind AS 19.

i) Movement in present values of defined benefit obligation (Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at the beginning of the year	7.04	7.38
Current service cost	7.52	3.77
Interest cost	0.52	0.51
Actuarial losses (gains) arising from experience adjustments	(1.21)	1.82
Actuarial losses (gains) arising from Demographic adjustments	-	(5.55)
Actuarial losses (gains) arising from Financial adjustments	-	(0.90)
Benefits paid	-	-
Defined benefit obligation at the end of the year	**13.87**	**7.04**

ii) Amount recognised in Balance Sheet :

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	13.87	7.04
Fair value of plan assets	-	-
Deficit in the plan	**13.87**	**7.04**

iii) Expense recognised in Statement of Profit and Loss

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	7.52	3.77
Interest on obligation	0.52	0.51
Expected return on plan assets	-	-
Total included in employee benefits expense	**8.04**	**4.28**

iv) Amount recognised in Other Comprehensive Income (OCI) for the year

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial Changes Arising from Changes in Experience Assumptions	(1.21)	1.82
Actuarial losses (gains) arising from Demographic adjustments	-	(5.55)
Actuarial losses (gains) arising from Financial adjustments	-	(0.90)
Closing amount recognised in OCI	**(1.21)**	**(4.62)**

v) Principal actuarial assumptions

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.40%	7.40%
Expected return on plan assets	NA	NA
Future salary increase	6.00%	10.00%
Retirement Age	60 Yrs	58 Yrs
Mortality Rate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	5% to 1%	30% to 10%

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40 (Cont'd)

Projection Risks:

Investment Risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

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

Salary Risk -The present value of the defined benefit plan liability is calculated by reference to the future salariesof plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

vi) Funding Arrangement and Policy

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.

vii) Maturity Profile of Defined Benefit Obligations (Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	0.26	7.06
Year 2	0.58	13.00
Year 3	0.56	15.52
Year 4	0.54	21.06
Year 5	0.52	29.41
more than 5 and upto 10 years	2.18	-

viii) Quantitative sensitivity analysis for significant assumption is as below (Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase/decrease on present value of defined benefits obligation		
i) 1% increase in discount rate	12.10	6.76
ii) 1% decrease in discount rate	16.06	7.34
iii) 1% increase in salary escalation rate	16.07	7.33
iv) 1% decrease in salary escalation rate	12.06	6.76
v) 1% increase in withdrawal rate	14.04	Not Material
vi) 1% decrease in withdrawal rate	13.69	Not Material

ix) Contribution for Next 12 Months (Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution for Next 12 Months	0.26	1.28

x) Sensitivity Analysis Method

Above sensitivities have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

xi) Defined contribution plan (Amount Rs. In Lakhs)

Amount recognised in Statement of Profit and Loss towards	As at March 31, 2023	As at March 31, 2022
i) Provident fund	26.66	8.96
Total	**26.66**	**8.96**

xii) Long Term Employment Benefit Plan (Amount Rs. In Lakhs)

Amount recognised in Statement of Profit and Loss towards	As at March 31, 2023	As at March 31, 2022
i) Leave Encashment	7.12	-
Total	**7.12**	-

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS

41 Disclosure as required under annex XII- RBI Master Direction - Non-Banking Financial Company - Systemically Important non-deposit taking company and deposit taking company (Reserve Bank) Directions, 2016 dated september 01, 2016 as may be amended from time to time:

(A) Statutory Ratios

(i) Capital Adequacy Ratio

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	82.04%	33.41%
CRAR - Tier I Capital (%)	81.91%	32.18%
CRAR - Tier II Capital (%)	0.13%	1.23%
Amount of subordinate debt raised as tier- II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

(ii) Liquidity Coverage Ratio

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(i) Highly Liquid Assets			
(A) Cash and cash equivalents	1,219.94	152.37	15.85
(B) Marketable Securities	-	-	-
(ii) Net Cash outflows of next 30 days from year end			
(A) Cash Outflows	687.80	441.93	333.70
(B) Cash inflows	1,010.65	803.54	475.54
(iii) Liquidity Coverage Ratio	400.65%	59.85%	11.17%

(iii) Microfinance Loans to Toal Assets

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023
(i) Total Microfinance Loans	1,683.34
(ii) Total Assets	3,697.52
(iii) Ratio of microfinance Loans to Total Assets	45.53%

(B) Disclosure of Investments

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Value of Investments			
Gross value of Investments			
(a) In India		Not Applicable	
(b) Outside India			
Provision for depreciation/diminution			
(a) In India		Not Applicable	
(b) Outside India			
Net value of investments			
(a) In India		Not Applicable	
(b) Outside India			
Movement of provisions held towards depreciation on Investments			
Opening Balance			
Add: Provision made during the year		Not Applicable	
Less : Write -off / write-back of excess provisions during the year			
Closing balance	-	-	-

(C) Assignment of loans:

During the year the Company has sold loans through direct assignment / securitisation. The information on direct assignment activity of the Company as an originator is as shown below:

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Total number of loans assigned during the year	2,346.00	-	-
Total book value of loans assigned during the year	613.78	-	-
Sale consideration received for loans assigned during the year	609.11	-	-
Income recognised in the statement of profit and loss during the year	48.93	-	-
Balance of loans assigned as at the balance sheet date	613.78	-	-
Cash Collateral provided and outstanding as at the balance sheet date	-	-	

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

41 (Cont'd)

(D) - The Company has not entered any derivative transaction during the year.
- The Company has not entered any Securitisation transaction during the year.
- The Company has no exposure to the real estate sector direcly or indirectly in the current and previous year.
- The company has not disbursed any loans against security of gold.
- The Company has no exposure to capital market.
- The company has no intra-group exposure.

(E) Unsecured advances

The company has not obtained any intangible securities towards the unsecured advances

(F) Registration obtained from other financial sector regulators

The company has not obtained any registration from any other financial sector regulator during the current and previous year.

(G) Details of penalties imposed by RBI and other regulators

No penalties have been imposed by the Reserve Bank of India or any other Regulators during the current and previous year

(H) Details of Credit Ratings:

No Credit Rating has been availed from Credit Rating Agency for availment of any loan during the finacial year 2022-23 and 2021-22

(I) Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2023 & March 31, 2022 following are having Nil disclosure:

a. Draw down from reserves.
b. Overseas assets (for those with joint ventures and subsidiaries abroad).
c. Off- Balance Sheet SPVs sponsored.
d. Financing of parent company products.
e. Postponement of revenue recognition.

(J) Remunration paid to Non Executive Directors:

(Amount Rs. In Lakhs)

Name of the Director	For the period ended March 31, 2023	For the period ended March 31, 2022
Mr. Bhadresh Rawal	24.99	-
Mr. Dinesh Awasthi	-	-
Mr. Surendra Srivastav	1.36	-
Total	**26.35**	**-**

(K) Details of Provisions and Contingencies

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Provision towards non performing advances	145.51	16.14	-
Provision for Standard Assets	2.91	51.09	16.79
Total	**148.42**	**67.23**	**16.79**

(L) Details of concentration of advances, exposures & NPA:

The Company being MFI, there is no concentration of advances, exposures & NPA to specific person or individual.

(M) Details of sectorwise NPA:

Sector	% of NPAs to total advances in that sector		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Microfinance Loan	7.68%	1.45%	0.00%
Other loans*	0.00%	0.00%	0.00%

*Other loans include all loans that cannot be classified under any of the other sectors.

(N) Disclosure of Complaints:

Particulars	As at March 31, 2023	As at March 31, 2022
i. Number of complaints pending at the beginning of year	-	-
ii. Number of complaints received during the year	247	112
iii. Number of complaints redressed during the year	167	112
iv. Number of complaints pending at the end of the year	80	-

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

41 (Cont'd)

(O) Top 5 Grounds of Complaints received by NBFC from Customers

Grounds of complain	No. of complaints pending at the beginning of the year	No. of complaints received during the year	No. of complaints disposed during the year	No. of complaints pending at the end of the year
As at March 31 , 2023				
Credit Bureau	-	21	21	-
Credit-Linked Insurance Settlement	-	53	40	13
Interest rate Related	-	24	24	-
Staff Behaviour	-	66	-	66
Other	-	83	82	1
As at March 31 , 2022				
Credit Bureau	-	5	5	-
Credit-Linked Insurance Settlement	-	23	23	-
Interest rate Related	-	16	16	-
Staff Behaviour	-	42	42	-
Other	-	26	26	-

(P) Disclosure of Whistle blower Complaints

Particulars	As at March 31, 2023	As at March 31, 2022
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

(Q) Deails of penalties:

No Penalty has been imposed by any Regulator during the finacial year 2022-23 and 2021-22.

(R) Deails of fraud:

During previous year ending on 31st March, 2022, the company has noticed suspected fraud and / or cash embezzlement by an employee / officer of the company. The management is still in the process of investigating the same and the amount involved in such fraud is not yet determined as at March 31, 2023.

(S) Asset Classification

(a) Asset Classification and provision thereof : **(Amount Rs. In Lakhs)**

Asset classification	As at 31st March, 2023		As at 31st March, 2022	
	Loan Portfolio	Provision	Loan Portfolio	Provision
Standard Assets	1,748.00	2.91	1,094.19	51.09
Sub standard Assets*	145.51	145.51	16.14	16.14
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Total	**1,893.51**	**148.42**	**1,110.33**	**67.23**

(b) The movement in provision for the year ended 31st March 2023 , 31st March 2022 and 1st April 2021.

(Amount Rs. In Lakhs)

Particulars	As at 31st March, 2023		
	Standard asset provision	Non-performing asset provision	Total
Opening balance	51.09	16.14	67.23
Additions	-	129.37	129.37
Reduction	48.17	-	48.17
Closing balance	**2.91**	**145.51**	**148.42**

Particulars	As at 31st March, 2022		
	Standard asset provision	Non-performing asset provision	Total
Opening balance	16.79	-	**16.79**
Additions	34.29	16.14	**50.43**
Reduction	-	-	-
Closing balance	**51.09**	**16.14**	**67.23**

The movement in Provision has been shown on net basis.

(c) Disclosure of Restructured Accounts

There were no restructring of Loan during the Financial Year 2022-23 and 2021-22.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

42 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

(Amount Rs. In Lakhs)

As at March 31, 2023	1 to 7 Days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	20.74	9.86	8.00	38.93	35.35	93.12	857.38	279.43	-	-	**1,342.80**
Asset											
Loans	129.53	62.15	16.20	116.64	116.02	316.04	455.08	538.93	-	-	**1,750.60**

(Amount Rs. In Lakhs)

As at March 31, 2022	1 to 7 Days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	-	-	142.94	23.80	98.76	189.23	760.24	21.06	-	-	**1,236.05**
Assets											
Loans	58.64	69.71	28.87	125.42	120.56	270.37	301.25	70.60	-	-	**1,045.42**

(Amount Rs. In Lakhs)

As at April 01, 2021	1 to 7 Days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	-	-	20.84	22.32	75.91	92.80	283.28	728.02	-	-	**1,223.17**
Assets											
Loans	19.78	51.21	23.06	103.40	105.41	314.94	558.99	480.45	-	-	**1,657.23**

In computing above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditor.

MANUBHAI & SHAH LLP ❖ CHARTERED ACCOUNTANTS ❖

43 Maturity analysis of assets and liabilities

(Amount Rs. In Lakhs)

	Particulars	As at March 31, 2023			As at March 31, 2022			As at April 01, 2021		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	ASSETS									
[1]	**Financial Assets**									
(a)	Cash and cash equivalents	1,219.94	-	1,219.94	152.37	-	152.37	15.85	-	15.85
(b)	Bank Balance other than (a) above	73.59	-	73.59	33.65	30.40	64.05	-	-	-
(c)	Loans	1,211.66	538.93	1,750.60	974.82	70.60	1,045.42	1,176.78	480.45	1,657.23
(d)	Other Financial assets	278.22	14.24	292.46	93.29	495.37	588.66	39.86	338.91	378.77
		2,783.41	**553.18**	**3,336.59**	**1,254.13**	**596.37**	**1,850.50**	**1,232.48**	**819.37**	**2,051.84**
[2]	**Non-financial Assets**									
(a)	Current tax assets (Net)	-	36.74	36.74	-	21.01	21.01	-	22.10	22.10
(b)	Deferred tax Assets (Net)	-	67.18	67.18	-	29.62	29.62	-	24.30	24.30
(c)	Property, Plant and Equipment	-	50.19	50.19	-	34.82	34.82	-	14.43	14.43
(d)	Other Intangible assets	-	-	-	-	11.98	11.98	-	14.81	14.81
(e)	Right of Use Asset	-	203.78	203.78	-	-	-	-	-	-
(f)	Other non-financial assets	3.04	-	3.04	10.83	-	10.83	2.36	-	2.36
		3.04	**357.89**	**360.93**	**10.83**	**97.43**	**108.26**	**2.36**	**75.64**	**78.00**
	Total Assets	**2,786.45**	**911.06**	**3,697.52**	**1,264.96**	**693.80**	**1,958.77**	**1,234.84**	**895.00**	**2,129.84**
	LIABILITIES AND EQUITY									
	LIABILITIES									
[1]	**Financial Liabilities**									
(a)	Payables									
	Trade Payables									
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22.05	-	22.05	8.77	-	8.77	5.88	-	5.88
(b)	Lease Obligation	8.21	193.82	202.03	-	-	-	-	-	-
(c)	Debt Securities	667.00	-	667.00	-	-	-	-	-	-
(d)	Borrowings (Other than Debt Securities)	396.37	279.43	675.80	1,214.98	21.06	1,236.05	495.15	728.02	1,223.17
(e)	Other financial liabilities	137.30	-	137.30	47.77	-	47.77	54.17		54.17
		1,230.93	**473.25**	**1,704.18**	**1,271.52**	**21.06**	**1,292.59**	**555.20**	**728.02**	1,283.21
[2]	**Non-Financial Liabilities**									
(a)	Provisions	0.26	20.74	20.99	1.28	5.76	7.04	0.65	6.74	7.38
(b)	Other non-financial liabilities	23.50	-	23.50	12.81	-	12.81	6.37	-	6.37
		23.75	**20.74**	**44.49**	**14.09**	**5.76**	**19.85**	**7.02**	**6.74**	**13.75**
[3]	**EQUITY**									
(a)	Equity Share capital	-	1,892.87	1,892.87	-	851.20	851.20	-	851.20	851.20
(b)	Other Equity	-	55.98	55.98	-	(204.88)	(204.88)	0.0	(18.32)	(18.32)
	Total Equity	-	**1,948.84**	**1,948.84**	-	**646.32**	**646.32**	-	**832.88**	**832.88**
	Total Liabilities and Equity	**1,254.68**	**2,442.83**	**3,697.51**	**1,285.61**	**673.15**	**1,958.76**	**562.21**	**1,567.63**	**2,129.84**

MANUBHAI & SHAH LLP ✣ CHARTERED ACCOUNTANTS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2023

44 Disclosure required as per Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards

As at March 31, 2023

(Amount Rs. In Lakhs)

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	1,741.86	1.90	1,739.96	-	1.90
	Stage 2	6.14	1.01	5.13	4.02	(3.01)
Subtotal		**1,748.00**	**2.91**	**1,745.09**	**4.02**	**(1.11)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	145.51	145.51	-	133.30	12.21
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**145.51**	**145.51**	**-**	**133.30**	**12.21**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1		-	-		-
	Stage 2		-	-		-
	Stage 3		-	-		-
Subtotal		-	-	-	-	-
Total	**Stage 1**	1,741.86	1.90	1,739.96	-	1.90
	Stage 2	6.14	1.01	5.13	4.02	(3.01)
	Stage 3	145.51	145.51	-	133.30	12.21
	Total	**1,893.51**	**148.42**	**1,745.09**	**137.32**	**11.10**

As at March 31, 2022

(Amount Rs. In Lakhs)

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	1,077.24	42.39	1,034.85	10.77	31.62
	Stage 2	16.95	8.70	8.26	0.17	8.53
Subtotal		**1,094.19**	**51.09**	**1,043.11**	**10.94**	**40.14**
Non-Performing Assets (NPA)						
Substandard	Stage 3	16.14	16.14	-	0.16	15.98
Doubtful - up to 1 year	Stage 3					-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-

As at March 31, 2022 (Contd)

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)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**16.14**	**16.14**	**0.0**	**0.16**	**15.98**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1	-	-	-		-
	Stage 2	-	-	-		-
	Stage 3	-	-	-		-
Subtotal		-	-	-	-	-
Total	**Stage 1**	1,077.24	42.39	1,034.85	10.77	31.62
	Stage 2	16.95	8.70	8.26	0.17	8.53
	Stage 3	16.14	16.14	0.0	0.16	15.98
	Total	**1,110.33**	**67.23**	**1,043.11**	**11.10**	**56.12**

As at April 01, 2021

(Amount Rs. In Lakhs)

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	1,677.98	16.78	1,661.20	16.78	-
	Stage 2	1.41	0.01	1.39	0.01	-
Subtotal		**1,679.39**	**16.79**	**1,662.60**	**16.79**	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-		
Doubtful - up to 1 year	Stage 3	-	-	-		
1 to 3 years	Stage 3	-	-	-		
More than 3 years	Stage 3	-	-	-		
Subtotal for doubtful		-	-	-	-	
Loss	Stage 3	-	-	-	-	
Subtotal for NPA		-	-	-	-	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1		-	-		
	Stage 2		-	-		
	Stage 3		-	-		-
Subtotal		-	-	-	-	-
Total	**Stage 1**	1,677.98	16.78	1,661.20	16.78	-
	Stage 2	1.41	0.01	1.39	0.01	-
	Stage 3	-	-	-	-	-
	Total	**1,679.39**	**16.79**	**1,662.60**	**16.79**	-

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2023

44.1 Movement of NPAs:-

(Amount Rs. In Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Net NPA to net advance (%)	0.00%	0.00%	0.00%
Movement of gross NPAs			
Opening Balance	16.14	-	-
Addition during the year	130.12	16.14	-
Reduction/Write off during the year	0.75	-	-
Closing balance	145.51	16.14	-
Movement of provision for NPAs			
Opening Balance	16.14	-	-
Addition during the year	129.37	16.35	-
Reduction/Write off during the year	0.00	0.21	-
Closing balance	145.51	16.14	-
Movement of net NPAs			
Opening Balance	-0.00	-	-
Addition during the year	0.75	(0.21)	-
Reduction/Write off during the year	0.75	(0.21)	-
Closing balance	**-0.00**	**-0.00**	**-**

45 **Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 4, 2019**

45.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Year	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Number of Significant Counterparties	4.00	7.00	5.00
Amount (In Lakhs)	679.44	1,237.46	1,226.06
% of Total deposits	NA	NA	NA
% of Total liabilities	38.85%	94.29%	94.53%

45.2 **Top 20 large deposits**

Since the Company being a Non-Deposit Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits. So top 20 Large Deposits is not applicable.

45.3 Top 10 borrowings

Year	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Amount (In Lakhs)	679.44	1,237.46	1,226.06
% of Total Borrowings	100.00%	100.00%	100.00%

45.4 Funding Concentration based on significant instrument/product

(Amount Rs. In Lakhs)

Year	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
Name of the Instrument/ Product	Amount	% of Total Liabilities	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured Non Convertible Debentures	667.00	49.67%	-	0.00%	-	0.00%
Term loans	675.80	50.33%	1,236.05	100.00%	1,223.16	100.00%
Total	**1,342.80**	**100.00%**	**1,236.05**	**100.00%**	**1,223.16**	**100.00%**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

45.5 **Stock Ratios**

Particulars	As a % of public funds			As a % of Total liabilities		
Year	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Commercial papers	NA	NA	NA	NA	NA	NA
Non- Convertible Debentures (original maturity of less than one year)	NA	NA	NA	38.14%	-	-
Other Short term liabilities*	NA	NA	NA	NA	NA	NA

Particulars	As a % of total assets		
Year	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Commercial papers	NA	NA	NA
Non- Convertible Debentures (original maturity of less than one year)	18.04%	-	-
Other Short term liabilities*	NA	NA	NA

* Other Short term Liabilities comprises of borrowings which are short term in nature.

45.6 **Institutional set-up for liquidity risk management**

The Liquidity Risk Management of the Company is governed by Risk Management Committee. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by the Company including liquidity risk. Company's Board guides to ensure adherence to the liquidity risk tolerance/limits and prepare liquidity risk management strategy.

46 **Disclosure as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

46.1 **Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:**

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a) Debentures :						
Secured	667.00	-	-	-	-	-
Unsecured(other than falling within the meaning of public deposits)	-	-	-	-	-	-
b) Deferred Credits	-	-	-	-	-	-
c) Term Loans	679.44	-	1,237.46	-	1,226.06	-
d) Cash Credit from Bank	-	-	-	-	-	-
f) Public Deposits	-	-	-	-	-	-

46.2 **Break-up of above (outstanding public deposits inclusive of interest accrued thereon but not paid):**

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
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	Not Applicable		Not Applicable		Not Applicable	
c) Other Public deposits						

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

46.3 Break up of Loans and advances including bills receivables[other than those included in (4) below, including interest accrued]

(Amount Rs. In Lakhs)

Amount Outstanding	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
a) Secured	-	-	-
b) Unsecured	1,750.60	1,045.42	1,657.22

46.4 Break up of Leased Assets and stock on hire and other assests counting towards AFC activities:

(Amount Rs. In Lakhs)

Pariculars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial Lease			
(b) Operating Lease		Not Applicable	
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Assests on hire			
(b) Repossessed Assests		Not Applicable	
(iii) Other Loans counting towards AFC activities			
(a) Loans where assests have been repossessed			
(b) Loan other than (a) Above		Not Applicable	

46.5 Break up of Investments

(Amount Rs. In Lakhs)

Pariculars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Current Investments:			
1. Quoted			
(i) Shares:			
(a) Equity			
(b) Preference			
(ii) Debentures and Bonds		Not Applicable	
(iii) Units of Mutual Funds			
(iv) Government Securities			
(v) Others (please specify)			
2. Unquoted			
(i) Shares:			
(a) Equity			
(b) Preference			
(ii) Debentures and Bonds		Not Applicable	
(iii) Units of Mutual Funds			
(iv) Government Securities			
(v) Unit of Alternate Investment Fund			
Long Term Investments:			
1. Quoted			
(i) Shares:			
(a) Equity			
(b) Preference			
(ii) Debentures and Bonds		Not Applicable	
(iii) Units of Mutual Funds			
(iv) Government Securities			
(v) Others			
2. Unquoted			
(i) Shares:			
(a) Equity			
(b) Preference			
(ii) Debentures and Bonds		Not Applicable	
(iii) Units of Mutual Funds			
(iv) Government Securities			
(v) Unit of Alternate Investment Fund			

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

46.6 Borrowers group wise classification of assets financed as in (3) and (4) above:

(Amount Rs. In Lakhs)

Category	Related Parties			Other than related Parties	Total
	Subsidiaries	Companies in the same Group	Other related party		
As at March 31, 2023					
Amount Net of Provisions					
Secured	-	-	-	-	-
Unsecured	-	-	-	1,750.60	1,750.60
Total	-	-	-	**1,750.60**	**1,750.60**
As at March 31, 2022					
Amount Net of Provisions					
Secured	-	-	-	-	-
Unsecured	-	-	-	1,045.42	1,045.42
Total	-	-	-	**1,045.42**	**1,045.42**
As at April 01, 2021					
Amount Net of Provisions					
Secured	-	-	-	-	-
Unsecured	-	-	-	1,657.22	1,657.22
Total	-	-	-	**1,657.22**	**1,657.22**

46.7 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at March 31, 2023		As at March 31, 2022	
	Market Value/Break up or FAIR Value or NAV	Book Value(Net of Provisions)	Market Value/Break up or FAIR Value or NAV	Book Value(Net of Provisions)
1. Related parties				
a) Subsidiaries				
b) Companies in the same group	Not Applicable			
c) Other Related parties				
2. Other than related parties				

46.8 Other Information

(Amount Rs. In Lakhs)

Pariculars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(i) Gross Non-Performing Assests			
a) Related Parties	-	-	-
b) Other than related parties	145.51	16.14	-
(ii) Net Non performing Assests			
a) Related Parties	-	-	-
b) Other than related parties	-	0.00	-
(iii) Assets acquired in satisfaction of Debt	-	-	-

47 **The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:**

a) The company has not traded or invested in crpto currency or vieryal currency during the financial year.
b) No satisfaction of charges are pending to be filled with ROC.
c) Granted any Loans or Advances in the nature of loans to Promoters, Directors, KMP's and related parties which are repayable on demand or given without specifying terms or period of repayment.
d) Hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988.
e) Has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
f) Made any Investment in violation to the provisions related to number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
g) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS

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

49 In respect of borrowings on the basis of security of current assets from financial institutions, statements of current assets filed by the Company with financial institutions were in agreement with the books of accounts as an when submitted.

50 (a) 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 (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Funds transferred under Business Corrospondent (BC) operations by funding Parties are directly disbursed to ultimate borrowers, wherein Company acts as a servicer to the Loan Portfolio. Therefore, loans granted under this mechanisam are not considered for reporting under this clause

51 The code on Wages, 2019 and Code on Social Security, 2020 ("the Code") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes becomes effective.

52 Previous year's figures have been regrouped / reclassified, where necessary, to confirm to current year's presentation.

Signatures to Note No. 1 to 52

As per our report of even date,
For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: 16.05.2023

For and on behalf of the Board of Directors of Prayas Financial Services Private Limited

Abhisek Khanna
Managing Director and CEO
DIN: 09680649
Place: Gurgaon
Date: 16.05.2023

Bhadresh Keshavlal Rawal
Director
DIN: 06746695
Place:Ahmedbad
Date: 16.05.2023

Dinesh Hridaynarain Awasthi
Director
Din:00415781
Place:Ahmedbad
Date: 16.05.2023

Jyoti Chauhan
Company Secretary
ACS48863
Date: 16.05.2023

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS