PRAYAS FINANCIAL SERVICES PRIVATE LIMITED

ANNUAL REPORT
FINANCIAL YEAR 2024-25

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Eighth (8th)** Annual General Meeting of the Members of **Prayas Financial Services Private Limited** will be held on Tuesday, August 12, 2025 at 4:00 P.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2025 together with Auditors' Report thereon and the Report of Board of Directors along with necessary annexures and, in this regard, if thought fit, to pass the following Resolution as **Ordinary Resolution**:

   "RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2025 together with Auditors' Report thereon and the Report of Board of Directors along with necessary annexures, be and are hereby considered and adopted."

Date: June 12, 2025
Place: Ahmedabad

By Order of the Board of Directors
For Prayas Financial Services Private Limited

Abhisek Khanna	**Bhavana Srivastava**
Managing Director & CEO	**Independent Director**
DIN: 09680649	**DIN: 07162855**

NOTES:

1. Pursuant to the Circular No. 14/2020 dated 8th April, 2020 , read together with the Circular No. 17/2020 dated 13th April, 2020, General Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 08th December, 2021, Circular No. 21/2021 dated 14th December, 2021, General Circular No. 02/2022 dated 05th May, 2022, General Circular No. 10/2022 dated 28th December, 2022, General Circular No. 09/2023 dated 25th September, 2023 and General Circular No. 09/2024 dated 19th September, 2024 (hereinafter collectively referred to as "MCA Circulars"), issued by the Ministry of Corporate Affairs, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM. Accordingly, proxy form and attendance slip are not annexed to this Notice.

2. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.

3. Since the AGM will be held through VC/OAVM, the route map for the venue is not annexed.

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to Special Businesses to be transacted at the AGM, is annexed hereto

5. The Notice of the AGM along with the Annual Report for the financial year 2024-25, is being sent only through electronic mode to those members whose email addresses are registered with the Company. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately. The Notice of the AGM along with the Annual Report for the financial year 2024-25 is also available on the website of the Company viz; https://www.ananyafinance.om/

6. The Register of Directors and Key Managerial Personnel and their shareholding has been maintained under Section 170 of the Companies Act, 2013. Pursuant to Section 171 of the Act the said register will be available electronically for inspection by the members.

Prayas Financial Services Private Limited
(A wholly owned Subsidiary of Ananya Finance for Inclusive Growth Private Limited)
CIN: U67190GJ2017PTC096063
Cor Office: 806 - 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-61, Gurugram-122102, Haryana, India
Registered Office: 903, 9th Floor, Sakar- IX, besides old RBI, Ashram Road, Ahmedabad -380009, Gujrat, India
Phone: 0124-4002821, E-mail: care@prayasfinance.com, Website: https://prayasfinance.com/

Prayas
'एक बेहतर कल का'

DIRECTOR'S REPORT

FOR THE YEAR ENDED MARCH 31, 2025

To,

The Members of Prayas Financial Services Private Limited,

Your Director's present the 8th 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, 2025.

1. **FINANCIAL RESULTS SUMMARY:**

Particulars	For The Year Ended 31st March 2025 (In lakhs/INR)	For the year ended 31st March 2024 (In lakhs/INR)
Income from Operation	3819.87	2772.59
Other income	33.66	2.52
Profit (Loss) before Depreciation & Tax	**(1405.11)**	**178.55**
Less: Depreciation	108.12	55.58
Profit (Loss) before Tax	(1513.23)	**122.97**
Less: MAT / Current Tax	(7.24)	17.91
Less: Deferred Tax (expense)/benefit	(33.13)	8.86
Profit (Loss) after Tax	(1472.86)	**96.2**

2. **APPROPRIATION:**

During the year under review, the Company has not transferred any amount to the Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 due to loss.

3. **DIVIDEND:**

Your directors do not recommend a dividend for the year.

4. **RESERVES:**

Your directors have not transferred any amount to the Statutory Reserves as per the Reserve Bank of India Act, 1934.

5. **REVIEW OF BUSINESS AND OPERATIONS AND STATE OF AFFAIRS OF YOUR COMPANY AND OUTLOOK:**

- **Revenue (In lakhs/INR):**

Your Company posted total income of ₹ 3853.53/- in the year ended on March 31, 2025, as compared to ₹ 2775.11/- in the previous year, which is an increase of approx. 39% year-on-year.

- **Profit/Loss (In lakhs/INR):**

During the year under review, your company has recorded Loss amounting to ₹1472.86/- as compared to profit of ₹96.20/- in the F.Y. 2024-25.

- **Other Financial Highlights (In lakhs/INR):**

Total expenses of the Company have increased to ₹ 5366.76/- as compared to expenses of the previous financial year, which was ₹2652.14/- due to increase in the number of branches of the Company.
Basic Earnings per Share (BEPS) for the year ended March 31, 2025 is ₹ (6.20) as against ₹ 0.44in the previous financial year. Diluted Earnings Per Share (DEPS) for the year ended March 31, 2025 is ₹ (6.20) as against ₹0.44 in the previous financial year.

During the year under review, the Company has disbursed ₹ 2,79,01 lacs in F.Y. 2024-25. The Assets under Management (AUM) as on March 31, 2025 was ₹ 3,32,63 lacs representing an increase of10.5% over the previous year.

- **Total no. of Branches:**

During the year, the Company has opened in total Sixty-Two (62) branches, out of which 15 were opened in Rajasthan, 18 Branches were opened in Gujarat, 28 Branches were opened in Uttar Pradesh and one branch was opened in Madhya Pradesh. Hence the total number of branches of the Company as on date is One Hundred and Twenty (120).

- **Assets Under Management (AUM):**

Our Loan assets under management (AUM) stood at Rs. 3,32,63 lakhs.

- **Investment by Ananya Finance for Inclusive Growth Private Limited:**

Your Company has issued up to 61,40,000 (Sixty-One Lakh Forty Thousand) new Equity shares with a face value of ₹10 (Rupees Ten Only) each, along with a premium of ₹ 5 (Rupees Five Only) per share, fully paid-up at a price of ₹15 (Rupees Fifteen Only) each, amounting to a total of ₹ 9,21,00,000/-, (Rupee Nine Crore and Twenty-one lakh Only) in demat form through private placement and preferential allotment to Ananya Finance for Inclusive Growth Private Limited. The Company obtained necessary approval from the Board of Directors for the issuance of Equity shares to "Ananya" during its Board meeting held on February 04, 2025.

6. **CREDIT GRADING:**

During the Year under review, the Infomerics Rating Agency assigned a Comprehensive Grading as detailed below:-

- MFI Grading- M2
- COCA Grading- C2

7. CHANGE IN THE NATURE OF BUSINESS:

There was no change in business of the Company during the year under review.

8. CHANGES IN CAPITAL STRUCTURE:

Authorized Share Capital	The authorized share capital of the company is Rs. 30,00,00,000/-.
Issued, Subscribed, Paid-up Share Capital	During the year, the Company has issued and allotted Rs. 9,21,00,000/- Equity shares of F.V. of Rs. 10 each. Currently, the Issued, Subscribed, Paid-up Share Capital of the Company is ₹ 29,79,36,710/- (Rupees Twenty-Nine Crores Seventy Nine Lakhs Thirty Six Thousand Seven Hundred and Ten rupees only) divided into 2,97,93,671 (Two Crore Ninety Seven Lakhs Ninety-Three Thousand Six Hundred and Seventy One) Equity shares of ₹ 10/- (Rupees Ten only) each.

As on 31st March, 2025, the Company has neither issued shares with differential voting rights nor sweat equity shares and none of the Directors of the Company hold any convertible instruments.

9. 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.

10. 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 can be accessed at www.prayasfinance.com.

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11. **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR:**

During the year under review, the following Director/ Key Managerial Personnel has resigned from the Company:

- Mr. Dinesh Awasthi resigned w.e.f. July 03, 2024, from the post of Director of the company.
- Mr. Bhadresh Rawal resigned w.e.f. October 05, 2024, from the post of Director of the company.
- Mr. Sidharth Sinha resigned w.e.f. December 02, 2024, from the post of Director of the company.
- Mr. Pranav Shailesh Desai has resigned from the post of Nominee Director and CFO vide resignation letter dated 21st May, 2025 effective from June 17, 2025.

In Current FY 2025-26, your company has appointed following Directors/Key Managerial Personnel:

- Ms. Haruna Takeuchi (DIN: 10821326), appointed as an Additional Director designated as Nominee Director - Gojo & Co. Inc., in the Board Meeting dated w.e.f 30th April, 2025, who subsequently regularized as Nominee Director under the category of Non- Executive Director in the Extra-Ordinary General Meeting held on 1st May, 2025.
- Mr. Sanjay Gandhi (DIN: 02234298), appointed as an Additional Director designated as Nominee Director - Gojo & Co. Inc., in the Board Meeting dated w.e.f 30th April, 2025, who subsequently regularized as Nominee Director under the category of Non- Executive Director in the Extra-Ordinary General Meeting held on 1st May, 2025.

12. **DECLARATION FROM INDEPENDENT DIRECTOR(S):**

The Company has received requisite declaration of Independence from Mr. Surendra Srivastava and Ms. Bhavana 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 2024-25, 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 fulfil the conditions as specified in the Act and the rules made thereunder for appointment as Independent Director and confirm that they are independent of the management.

13. 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.

14. NUMBER OF BOARD MEETINGS:

During the Financial Year 2024-25, eight (8) 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.	30.04.2024	5 (five) out of 8 (eight) members were present
2.	03.07.2024	4 (four) out of 8 (eight) members were present
3.	09.08.2024	All directors were present at the meeting
4.	05.10.2024	5 (five) out of 7 (seven) members were present
5.	13.11.2024	All directors were present at the meeting
6.	04.02.2025	All directors were present at the meeting
7.	07.03.2025	All directors were present at the meeting
8.	24.03.2025	All directors were present at the meeting

15. 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.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year ended 31st March 2025, 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 2025. Form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "**Annexure - A**" to this Report.

17. AUDITOR'S REPORT:

Statutory Auditors:

The Company has obtained a written Certificate from 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. , if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

However as per RBI Guidelines applicable to middle layer NBFC for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors the statutory auditor shall continue for three years and then retire for rotation hence Company will appoint new Statutory Auditor for FY 2025-26 to FY 2028-29.

The Audit Report for the Financial Year ended 31st March, 2025 does not contain any qualification, reservation or adverse remark and forms part of this report.

Internal Auditors:

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the appointment of Internal Auditor in the Company was not required. However, Mr. Navneet Gupta was appointed as the Internal auditor of the Company by the Board in its meeting held on April 30, 2025 as the ongoing Internal Auditor of the Company.

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.

18. 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.

19. 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.

20. 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, segments, and endeavours to manage the various risks in the business including Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risks.

The committee comprises the following directors:

Sr. No.	Name of the Director	Nature of Directorship
1	Mr. Abhisek Khanna	Managing Director & CEO
2	Ms. Bhavana Srivastava	Independent Director
3	Mr. Surendra Srivastava	Independent Director

During the Financial Year 2024-25, 2 (Two) meetings of the RMC of the company were held on the following dates:

Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	17.01.2025	All the Members were present in the meeting
2.	31.03.2025	All the Members were present in the meeting

21. DETAILS OF DIRECTORS:

Below is the list of Directors as on March 31, 2025:

SR. No.	Name of director	DIN	Designation	Date of Appointment
1.	Mr. Abhisek Khanna	09680649	Managing Director & CEO	16.05.2023
2.	Ms. Bhavana Srivastava	07162855	Independent Director	27.01.2024
3.	Mr. Guerol Michael Sari	10063465	Non-Executive Director	14.08.2023
4.	Mr. Pranav Shailesh Desai	07153262	CFO & Nominee Director	16.05.2023
5.	Mr. Surendra Srivastava	08164095	Independent Director	23.03.2022

22. 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.

23. 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
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	NIL

Maximum during the year At the end of the year	NIL NIL
The details of deposits which are not in compliance with the requiremen of Chapter	NIL

24. 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.

25. AUDIT COMMITTEE:

As part of the internal controls monitoring process, the committee on a Quarterly- 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.	Ms. Bhavana Srivastava	Independent Director
2.	Mr. Guerol Michael Sari	Non-Executive Director
3.	Mr. Surendra Srivastava	Independent Director

During the Financial Year 2024-25, 4 (Four) meetings of the Audit Committee of the company were held on the following dates:

Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	30.04.2024	2(two) out of 3(three) members were present
2.	09.08.2024	All the Members were present in the meeting
3.	13.11.2024	All the Members were present in the meeting
4.	04.02.2025	All the Members were present in the meeting

26. NOMINATION & REMUNERATION COMMITTEE:

The Company has reconstituted 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.	Ms. Bhavana Srivastava	Independent Director
2.	Mr. Guerol Michael Sari	Non-Executive Director
3.	Mr. Surendra Srivastava	Independent Director

During the Financial Year 2024-25 1 (One) meeting of the Nomination & Remuneration Committee of the company were held on the following dates:

Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	30.04.2025	2 (Two) out of 3 (Three) Members were present in the meeting.

27. 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 following requirements of the Act and available on the website viz. www.prayasfinance.com.

28. MANAGERIAL REMUNERATION:

In the year 2024-2025, none of the directors have been paid managerial remuneration.

29. 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.

30. 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, 2025, 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, 2025 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.
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.

31. 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.

32. RESERVE BANK OF INDIA (RBI) COMPLIANCE:

a) The company is meeting the required Net Owned Fund (NOF) requirements as laid down in Master Directions- Non-Baking Financial Company- Systemically Important Non-Deposit taking company (Reserve Bank Directions), 2016.

b) The Company is engaged in the business of Non-Banking Financial Institution as defined in section 45 – I (a) of the RBI Act and meeting the principal Business Criteria (Financial assets/Income pattern) as laid down vide the Bank's Press release dated April 8, 1999, and direction issued by DNBR.

c) The board of directors has passed a resolution pursuant to the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (the Act) and subject to the terms and conditions of the Certificate of Registration issued under the Act stating that they have not accepted any public deposits during the financial year 2024-2025 and will not accept in following year without prior approval of RBI.

d) The company has complied with the prudential norms as applicable to it in terms of Master Directions- Non-Banking Financial Company- Systemically Important Non-Deposit taking company (Reserve Bank Directions), 2016.

e) Master Circular "Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015" dated July 01, 2015.

33. 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, regulators 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: June 12, 2025
Place: Ahmedabad

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

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Abhisek Khanna
Managing Director & CEO
DIN: 09680649

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Bhavana Srivastava
Independent Director
DIN: 07162855

Annexure 'A'

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis					
There were no contracts or arrangements or transactions entered into during the year ended **March 31, 2025** which were not at arm's length basis.					
Details of material contracts or arrangement or transactions at arm's length basis					
Name(s) of the related party and nature of relationship	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements / transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any (in ₹)**	**Date(s) of approval by the Board, if any**	**Amount paid as advances, if any**
Bhadresh Rawal	Payment of Professional Fees	01.04.2024 to 31.03.2025	20,00,000 /- (12 lakhs paid upto 5th October 2024)	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Bhadresh Rawal	Sale of Car	01.04.2024 to 31.03.2025	3,83,000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Sunitaben Rawal	Rent Expenses	01.04.2024 to 31.03.2025	1,80,000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO

Prayas Organization For Sustainable Development (Trust)	Rent Expense	01.04.2024 to 31.03.2025	9,90,000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Prayas Organization For Sustainable Development (Trust)	PASIO Program Expense	01.04.2024 to 31.03.2025	14,32,722/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Prayas Organization For Sustainable Development - Section 8	Rent Expense	01.04.2024 to 31.03.2025	1,35,000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Commission Income	01.04.2024 to 31.03.2025	14,53,23,100/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Issue of Equity Share	01.04.2024 to 31.03.2025	9,21,00,000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Security Deposits Adjusted	01.04.2024 to 31.03.2025	10,92,385/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO

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Ananya Finance For Inclusive Growth Private limited	Guarantee Fee Expense	01.04.2024 to 31.03.2025	76805/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Loan Taken	01.04.2024 to 31.03.2025	95000000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Loan Repayment	01.04.2024 to 31.03.2025	265208334/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Interest Expense on Loan	01.04.2024 to 31.03.2025	35472904/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Ananya Finance For Inclusive Growth Private limited	Direct Assignment	01.04.2024 to 31.03.2025	57089791/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO
Gojo & Co	Interest Expense on NCD	01.04.2024 to 31.03.2025	14356048/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

PRAYAS FINANCIAL SERVICES PVT. LTD. CIN: U67190GJ2017PTC096063 PRAYAS

Gojo & Co	NCD	01.04.2024 to 31.03.2025	149000000/-	Appropriate approval in terms of the management approval system have been taken in all the cases	NO

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

Date: June 12, 2025
Place: Ahmedabad

Mr. Abhisek Khanna
Managing Director & CEO
DIN: 09680649

Ms. Bhavana Srivastava
Independent Director
DIN: 07162855

DUE DILIGENCE REPORT ON COMPANY LAW & COMPANY SECRETARIAL PRACTICE FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025

To,
The Board of Directors,
Prayas Financial Services Private Limited
903, 9th Floor,
Sakar-IX Besides Old RBI, Ashram Road,
Ahmedabad – 380009.

We have conducted the due diligence of the compliance of applicable statutory provisions of the Companies Act, 2013 and the adherence to good corporate practices by **Prayas Financial Services Private Limited,** [CIN: U67190GJ2017PTC096063] ('hereinafter called the Company') having Registered Office at 903, 9th Floor, Sakar-IX Besides Old RBI, Ashram Road, Ahmedabad – 380 009. The due diligence was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives electronically, during the conduct of due diligence, we hereby report that in our opinion, the Company has, during the financial year ended on **31st March, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

- The Company had issued and allotted 149 (One Hundred and Forty Nine) Rupee denominated, unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debentures at a price of Rs. 10,00,000/- per debenture at par aggregating up to INR 14,90,00,000/- (Rupees Fourteen Crores Ninety Lakhs only) to Gojo & Company, Inc. on a private placement basis during the year under review. The consideration towards the said allotment was received in two separate transaction due to temporary interruptions in the banking system. The Company has confirmed that all regulatory requirements and reporting obligations concerning the receipt of funds and allotment of securities were duly complied with.

- The Company had issued and allotted 1000 (One Thousand) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debentures at a price of Rs. 1,00,000/- per debenture at par aggregating up to INR 10,00,00,000/- (Rupees Ten Crores only) to Vivriti Fixed Income Fund Series IX an Alternative Investment Fund managed by Vivriti Asset Management Private Limited, Inc., on a private placement basis during the year under review.

KASHYAP R. MEHTA & ASSOCIATES COP No.: 2052 FCS No.: 1821 B-403, The First, Beside ITC Narmada Hotel, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad-380015 COMPANY SECRETARIES

- The Company had shifted its Registered office, within same state, from Shyam-1/308, Amba Business park, Tri Mandir Campus, Above HDFC/SBI Bank, Adalaj, Gandhinagar – 382421 to 903, 9th Floor, Sakar-IX Besides old RBI, Ashram road, Ahmedabad – 380 009 w.e.f. 5th October, 2024 and approval of members have been obtained for the same.

- The Company had issued and allotted 61,40,000 (Sixty One Lakh Forty Thousand) Equity shares at a price of Rs. 15/- per share comprising of face value of Rs. 10/- (Rupees Ten only) each and premium of Rs. 5/- per share aggregating up to Rs. 9,21,00,000/- (Rupees Nine Crore Twenty One Lakh Only) to Ananya Finance for Inclusive Growth Private Limited on a private placement basis during the year under review.

- The Company had issued and allotted 2000 (Two Thousand) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debentures at a price of Rs. 1,00,000/- per debenture at par aggregating up to INR 20,00,00,000/- (Rupees Twenty Crores only) to Vivriti Asset Management Private Limited, Inc., on a private placement basis during the year under review.

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) The issue and allotment of 149 Rupee denominated, unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debentures at a price of Rs. 10,00,000/- per debenture at par aggregating up to INR 14,90,00,000/- to Gojo & Company, Inc. ('Foreign Party') on a private placement basis requires compliance under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as and when applicable.

(iv) Various common laws applicable to the activities of the Company such as The Reserve Bank of India Act, 1934, Prevention of Money Laundering Act, 2002, Income Tax, Act, 1961, Chapter V of the Finance Act, 1994 (Service Tax), Land Laws, Stamp Act, for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Consultants, Chartered Accountants and officers of the Company and have found that the Company is generally regular in complying with the provisions of various applicable Acts. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors including resignation, appointment of Managing Director and Independent Director that took place during the year under review were made in compliance with the applicable provisions.

KASHYAP R. MEHTA & ASSOCIATES COP No.: 2052 FCS No.: 1821 B-403, The First, Beside ITC Narmada Hotel, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad-380015 COMPANY SECRETARIES

B – 403, 'The First', Beside ITC Narmada Hotel, Behind Keshavbaug, Vastrapur, Ahmedabad – 380 015
Tel. No. : 079-2970 2975 / 76 / 77 ● **Mobile:** 98250 15581 ● **Email** : kashyaprmehta@hotmail.com ● **Web** : www.cskashyap.in

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board meetings and Committee meetings including resolution passed by circulation have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There were no dissenting views on any matter.

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

We further report that during the audit period the Company has:

1. Duly passed Special Resolution for Re-appointment of Mr. Abhisek Khanna (DIN: 09680649), as a Managing Director of the company at the Extra Ordinary General meeting held on 30th April, 2024.

2. Duly passed Special Resolution for issuance of 149 (One Hundred and Forty Nine) Rupee denominated, unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debenture at a price of Rs. 10,00,000/- per debenture to Gojo & company, Inc. on Private Placement basis at the Extra Ordinary General meeting held on 4th July, 2024.

3. Duly passed Special Resolution for Regularization of Ms. Bhavana Srivastava (DIN: 07162855), as an Independent Director of the company at the Annual General meeting held on 9th August, 2024.

4. Duly passed Special Resolution for issuance of 1000 (One Thousand) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debentures at a price of Rs. 1,00,000/- per debenture to Vivriti Fixed Income Fund Series IX an Alternative Investment Fund managed by Vivriti Asset Management Private Limited, Inc., on a private placement basis at the Extra Ordinary General meeting held on 7th October, 2024.

5. Duly passed Special Resolution for Resignation of Mr. Bhadresh Rawal (DIN: 06746695), as a Director of the company at the Extra Ordinary General meeting held on 7th October, 2024.

6. Duly passed Special Resolution for Shifting of Registered office of the company, within same state, from Shyam-1/308, Amba Business park, Tri Mandir Campus, Above HDFC/SBI Bank, Adalaj, Gandhinagar – 382 421 to 903, 9th Floor, Sakar-IX Besides old RBI, Ashram road, Ahmedabad – 380 009 at the Extra Ordinary General meeting held on 7th October, 2024.

7. Duly passed Special Resolution for issuance of 61,40,000 (Sixty One Lakh Forty Thousand) Equity shares at a price of Rs. 15/- per share comprising of face value of Rs. 10/- (Rupees Ten only) each and premium of Rs. 5/- per share to Ananya Finance for Inclusive Growth Private Limited on a private placement basis at the Extra Ordinary General meeting held on 7th March, 2025.

8. Duly passed Special Resolution for issuance of 2000 (Two Thousand) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debenture at a price of Rs. 1,00,000/- per debenture at par to Vivriti Asset Management Private Limited, Inc., on a private placement basis at the Extra Ordinary General meeting held on 7th March, 2025.

KASHYAP R. MEHTA & ASSOCIATES COP No.: 2052 FCS No.: 1821 B-403, The First, Beside ITC Narmada Hotel, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad-380015 COMPANY SECRETARIES

9. Duly passed Circular Resolution vide Circular Resolution No. 05/ 2024-25 for allotment of 149 (One Hundred Forty Nine) Rupee denominated, unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debenture at a price of Rs. 10,00,000/- per debenture at par aggregating up to INR 14,90,00,000/- (Rupees Fourteen Crores Ninety Lakhs only) to Gojo & company, Inc. on a private placement basis.

10. Duly passed Circular Resolution vide Circular Resolution No. 27/ 2024-25 for allotment of First Tranche of 500 (Five Hundred) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debenture at a price of Rs. 1,00,000/- per debenture at par aggregating up to INR 5,00,00,000/- (Rupees Five Crores only) to Vivriti Fixed Income Fund Series IX an Alternative Investment Fund managed by Vivriti Asset Management Private Limited, Inc., on a private placement basis.

11. Duly passed Circular Resolution vide Circular Resolution No. 34/ 2024-25 for allotment of Second Tranche of 500 (Five Hundred) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debenture at a price of Rs. 1,00,000/- per debenture at par aggregating up to INR 5,00,00,000/- (Rupees Five Crores only) to Vivriti Fixed Income Fund Series IX an Alternative Investment Fund managed by Vivriti Asset Management Private Limited, Inc., on a private placement basis.

12. Duly passed Circular Resolution vide Circular Resolution No. 44/ 2024-25 for allotment of 2000 (Two Thousand) Rupee denominated, Senior, secured, unlisted, redeemable, taxable non-convertible debenture at a price of Rs. 1,00,000/- per debenture at par aggregating up to INR 20,00,00,000/- (Rupees Twenty Crores only) to Vivriti Asset Management Private Limited, Inc., on a private placement basis.

13. Duly passed Circular Resolution vide Circular Resolution No. 50/ 2024-25 for allotment of 61,40,000 (Sixty One Lakh Forty Thousand) Equity shares at a price of Rs. 15/- per share comprising of face value of Rs. 10/- (Rupees Ten only) each and premium of Rs. 5/- per share aggregating up to Rs. 9,21,00,000/- (Rupees Nine Crore Twenty One Lakh Only) to Ananya Finance for Inclusive Growth Private Limited on a private placement basis.

For KASHYAP R. MEHTA & ASSOCATES,
COMPANY SECRETARIES,
FRN: S2011GJ166500

KASHYAP R. MEHTA
PROPRIETOR
FCS-1821 : COP-2052 : PR-5709/2024
UDIN: F001821G000691444

Date: 1st July, 2025
Place: Ahmedabad

Note: 1. This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

CS KASHYAP R. MEHTA
B.Com., LL.B., ACMA, FCS, ACIS (London)

KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

B – 403, 'The First', Beside ITC Narmada Hotel, Behind Keshavbaug, Vastrapur, Ahmedabad – 380 015
Tel. No. : 079-2970 2975 / 76 / 77 ● **Mobile:** 98250 15581 ● **Email** : kashyaprmehta@hotmail.com ● **Web** : www.cskashyap.in

Annexure - 1

To,
The Board of Directors,
Prayas Financial Services Private Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Due Diligence report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KASHYAP R. MEHTA & ASSOCATES,
COMPANY SECRETARIES,
FRN: S2011GJ166500

KASHYAP R. MEHTA & ASSOCIATES
COP No.: 2052
FCS No.: 1821
B-403, The First
Beside ITC Narmada Hotel,
Behind Keshavbaug, Vastrapur,
Ahmedabad-380015
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FCS-1821 : COP-2052 : PR-5709/2024
UDIN: F001821G000691444

Date: 1st July, 2025
Place: Ahmedabad

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, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by 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, 2025, its loss including other comprehensive loss , 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.

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 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'.

Responsibilities of Management and Board of Directors 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 with reference to Financial Statements, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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.

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

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

- 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.

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, Statement of Cash Flow 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,

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company 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 does not have any pending litigations having material effect on its financial position as at March 31,2025.

      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 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, Other than as disclosed in the note 51(b) to Financial Statements 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 misstatement.

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

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention except for the period from April 01, 2023 to December 31, 2023 since the feature of audit trail was not enabled for that period.

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

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 25100116BMIRQA4052

Place: Ahmedabad
Date: April 30, 2025

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, 2025 to the members of Prayas Financial Services Private Limited]

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

We have audited the internal financial controls with reference to Financial Statements of Prayas Financial Services Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's and Board of Director's Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (the "Guidance Note") issued by the ICAI 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the ICAI.

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

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 25100116BMIRQA4052

Place: **Ahmedabad**
Date: **April 30, 2025**

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, 2025 to the members of Prayas Financial Services Private limited of even date]

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

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

b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The Company does not have any immovable property. 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 favour 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, 2025 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 and hence reporting under clause 3(ii)(a) of the Order is not applicable to the company.

b) The company has not been sanctioned working capital limits in excess of Rs. 500 lakhs at any point of time during the year from banks or financial institutions on the basis of security of current assets for which Company requires to submit quarterly returns or statements to banks or financial institutions. Therefore, the provisions of clause 3(ii)(b) of the Order is not applicable to the company.

iii. According to the information and explanations given to us, in respect of loans, secured or unsecured, granted to companies, firms, Limited Liability Partnerships or any other parties during the year:

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 Company has not made any investments. The 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 the loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. The Company has recognised provisions against the above loans, in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (refer Note 7 to the financial statements).

d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date for more than 90 days since the company has written off the loan portfolio which is outstanding for more than 90 days.

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 and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year

b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

c) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of dispute as on March 31, 2025.

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.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

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) in our opinion, The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) The Company has issued equity shares under private placement of shares during the year. For such allotment of shares, 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.The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi. a) According to information and explanations given to us, during the financial year 2024-25, fraud of Rs. 5.06 lakhs has been identified by the company as included in Note 41(R) to the financial statements.

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. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Indian accounting standards.

xiv. a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

b) The reports of the Internal Auditor for the period under audit have been considered by us.

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. 1,378.74 Lakhs during the financial year covered by our audit and Rs. 10.63 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

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: April 30, 2025

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 25100116BMIRQA4052

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Balance Sheet as at March 31, 2025

(Amount Rs. In Lakhs)

Particulars		Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS				
(1) Financial Assets				
(a)	Cash and cash equivalents	4	677.47	167.34
(b)	Bank Balance other than (a) above	5	81.75	77.79
(c)	Loans	6	6,178.96	4,411.32
(d)	Other Financial assets	7	481.18	409.08
Total Financial Assets			**7,419.36**	**5,065.53**
(2) Non-financial Assets				
(a)	Current tax assets (Net)	9.1	72.06	62.47
(b)	Deferred tax Assets (Net)	9.1	92.47	59.34
(c)	Property, Plant and Equipment	10	261.62	162.18
(d)	Other Intangible assets	11	3.25	-
(e)	Right of Use Asset	12	350.88	180.27
(f)	Other non-financial assets	8	18.83	11.26
Total Non Financial Assets			**799.11**	**475.53**
Total Financial and Non Financial Assets			**8,218.47**	**5,541.06**
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	13	115.69	87.71
(b)	Lease Obligation	14	346.16	193.82
(c)	Debt Securities	18	4,299.06	-
(d)	Borrowings (Other than Debt Securities)	19	1,012.48	2,415.19
(e)	Other financial liabilities	15	171.05	103.82
Total Financial Liabilities			**5,944.44**	**2,800.54**
(2) Non-Financial Liabilities				
(a)	Provisions	16	158.74	64.46
(b)	Other non-financial liabilities	17	58.14	67.06
Total Non Financial Liabities			**216.88**	**131.52**
[3] EQUITY				
(a)	Equity Share capital	20	2,979.37	2,365.37
(b)	Other Equity	21	(922.22)	243.63
Total Equity			**2,057.15**	**2,609.00**
Total Liabilities and Equity			**8,218.47**	**5,541.06**

Summary of Material Accounting Policies 3
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: April 30, 2025

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

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

Abhisek Khanna
Managing Director & Chief Executive Officer
(DIN 9680649)
Place: Gurugram
Date: April 30, 2025

Pranav Desai
Chief Financial Officer & Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2025

Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2025

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Profit and Loss for the year ended March 31, 2025

Particulars		Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE FROM OPERATIONS				
(i)	Interest Income	22	1,476.31	861.10
(ii)	Fees and Commission Income	23	2,343.57	1,911.49
(I)	**Total Revenue from operations**		**3,819.88**	**2,772.59**
(II)	Other Income	24	33.66	2.52
(III)	**Total Income (I+II)**		**3,853.54**	**2,775.11**
EXPENSES				
(i)	Finance Costs	25	727.10	224.33
(ii)	Fees and Commission Expenses	26	0.77	4.60
(iii)	Net loss on derecognition of financial instruments under amortised cost category	27	387.14	340.15
(iv)	Impairment / (Reversal of Impairment) on financial instruments	28	19.85	(170.89)
(v)	Employee Benefits Expenses	29	3,138.65	1,578.82
(vi)	Depreciation, amortization and impairment	11&12&13	108.12	55.58
	Other expenses	30	985.14	619.55
(IV)	**Total Expenses**		**5,366.77**	**2,652.14**
(V)	**Profit / (Loss) before tax (III-IV)**		**(1,513.23)**	**122.97**
(VI)	Tax Expense:			
	(1) Current Tax	9	-	17.91
	(2) Adjustment of earlier year Tax	9	(7.24)	-
	(3) Deferred Tax	9	(33.13)	8.86
	Total Tax Expense		**(40.37)**	**26.77**
(VII)	**Profit / (loss) for the year (V - VI)**		**(1,472.86)**	**96.20**
(VIII)	**Other Comprehensive Income/ (loss)**	9		
	(i) Gain/(Loss) on define benefit obligation		0.01	(4.07)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.00)	1.02
	Subtotal (A)		**0.01**	**(3.04)**
	(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)		0.01	(3.04)
(IX)	**Total Comprehensive Income / (loss) (VII+VIII)**		**(1,472.85)**	**93.16**
(X)	**Earnings / (Loss) per equity share**			
	Basic (Rs.)	31	(6.20)	0.44
	Diluted (Rs.)		(6.20)	0.44

Summary of Material Accounting Policies 3
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: April 30, 2025

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

Abhisek Khanna
Managing Director & Chief Executive Officer
(DIN 9680649)
Place: Gurugram
Date: April 30, 2025

Pranav Desai
Chief Financial Officer & Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2025

Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2025

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Cash Flow for the Year Ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Cash flow from operating activities		
Net Profit/(Loss) before tax	**(1,513.23)**	**122.97**
Adjustments For:		
Depreciation and amortisation	108.12	55.58
Impairment on financial instruments	33.48	(170.89)
Interest on Lease Liability	36.14	27.36
Interest on Unwinding of Security Deposit	(0.75)	(0.40)
Interest income on Fixed Deposits	(6.45)	(9.23)
Interest income on loans	(1,469.11)	(853.66)
Interest income received on loans	1,441.09	896.98
Finance Cost	688.60	196.98
Remeasurement Gain / (Loss) on Defined Benefit Plans	0.01	(3.04)
Finance Cost Paid	(632.66)	(205.39)
Operating cash flows before working capital changes	**(1,314.76)**	**57.26**
(Increase) / decrease in loans	(1,773.10)	(2,533.16)
(Increase) / decrease in other assets	(79.67)	(124.44)
Increase in Trade Payables	27.97	65.66
Increase /(decrease) in other liabilities and provisions	96.67	52.53
Cash generated from operations	**(3,042.89)**	**(2,482.15)**
Income taxes paid	(2.35)	(43.65)
Net cash (used in)/generated from operating activities (A)	**(3,045.24)**	**(2,525.80)**
(B) Cash flows from investing activities		
Purchase of Property, Plant, Equipment	(385.25)	(144.06)
Sale of Property, Plant, Equipment	3.83	-
Interest income on Fixed Deposits	7.20	9.23
Bank deposit/Margin money released	(3.96)	(4.20)
Net cash (used in)/generated from investing activities (B)	**(378.18)**	**(139.03)**
(C) Cash flows from financing activities		
Proceeds from issue of equity shares (net of expenses)	921.00	567.00
Proceeds / Repayment of Lease Liabilities (Net of Originations)	116.20	(35.57)
Proceeds from issue of Debt Securities	4,490.00	-
Proceeds from Issue of Other Borrowings	1,950.00	2,500.00
Repayment of Other Borrowing	(3,397.82)	(752.20)
Repayment of Debt Securities	(145.83)	(667.00)
Net cash (used in)/generated from financing activities (C)	**3,933.55**	**1,612.23**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**510.13**	(1,052.60)
Cash and cash equivalents at the beginning of the Year	167.34	1,219.94
Cash and cash equivalents at the end of the Year	**677.47**	**167.34**

Notes to Cash Flow:

(I) Cash Flow Statement has been Prepared using Indirect Method Prescribed under Ind AS 7

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Cash Flow for the Year Ended March 31, 2025

(Amount Rs. In Lakhs)

(II) Components of cash and cash equivalents	As At March 31, 2025	As At March 31, 2024
Cash and Cash Equivalents		
Cash on hand	6.77	2.89
Balances with Banks;		
In bank deposits (with original maturity of three months or less)	670.70	164.45
Total	**677.47**	**167.34**

(III) Reconciliation of movements of cash flow from financing activities :

(Amount in Rs. lakhs)

Particulars	Amount
Balance as at April 1, 2023	**1,544.83**
Cash flow from financing activities	
Proceeds from Borrowings (Incl. Debt Securities)	2,500.00
Repayment of Borrowings (Incl. Debt Securities)	(1,419.20)
Repayment of lease liabilities	(35.57)
Total Cash flow from financing activites	**1,045.23**
Non cash changes	
Addition in Lease Liability	(8.41)
Interest on Lease Liabilities (Ind AS 116 Adjustment)	27.36
Balance as at March 31, 2024	**2,609.01**
Cash flow from financing activities	
Proceeds from Borrowings (Incl. Debt Securities)	6,440.00
Repayment of Borrowings (Incl. Debt Securities)	(3,543.65)
Proceeds / Repayment of lease liabilities (Net of Originations)	116.20
Proceeds from issue of equity shares	921.00
Total Cash flow from financing activites	**3,933.55**
Non cash changes	
Interest on Lease Liabilities (Ind AS 116 Adjustment)	36.14
Balance as at March 31, 2025	**6,578.70**

Summary of Material Accounting Policies(Refer Note no. 3)
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)

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2025

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

Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 9680649)
Place: Gurugram
Date: April 30, 2025

Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2025

Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2025

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Changes in Equity for the year ended March 31, 2025

A Equity Share Capital

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No of Shares	Rs. In Lakhs	No of Shares	Rs. In Lakhs
Balance at the beginning of the reporting period	2,36,53,671	2,365.37	1,89,28,671	1,892.87
Changes during the year	61,40,000	614.00	47,25,000	472.50
Balance at the end of reporting period	**2,97,93,671**	**2,979.37**	**2,36,53,671**	**2,365.37**

B Other Equity

(Amount Rs. In Lakhs)

Particulars	Reserves and Surplus			
	Statutory Reserves	Securities Premium	Retained Earnings	Total
Balance as on March 31, 2023	**13.94**	**231.22**	**(189.18)**	**55.98**
Net Profit for the year	-	-	96.20	96.20
Money received against fresh issue of shares	-	94.50	-	94.50
Share Issue Expenses	-	-	-	-
Transferred from Retained earnings to Statutory Reserves*	19.24	-	(19.24)	-
Remeasurement of the net defined benefit liability/asset(net of tax)	-	-	(3.04)	(3.04)
Balance as on March 31, 2024	**33.18**	**325.72**	**(115.27)**	**243.63**
Net Profit/ (loss) for the year	-	-	(1,472.86)	(1,472.86)
Money received against fresh issue of shares	-	307.00	-	307.00
Remeasurement of the net defined benefit liability/asset(net of tax)	-	-	0.01	0.01
Balance as on March 31, 2025	**33.18**	**632.72**	**(1,588.11)**	**(922.22)**

As required by section 45-IC of the Reserve Bank of India Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act,1934.

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)

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2025

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

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

Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 9680649)
Place: Gurugram
Date: April 30, 2025

Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2025

Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2025

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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 has been categorised as NBFC-ML under the RBI scale based regulations dated 27nd October, 2021. Accordingly, the company has taken steps,wherever applicable, to ensure compliance with the said regulations.

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 multiple states of India.

The Company is subsidiary of Ananya Finance for Inclusive Growth Private Limited ("AFIGPL") since AFIGPL has legal and beneficial ownership of 2,97,93,671 equity shares representaing 100% of holding in the company.

The Financial statements are approved for issue by the Company's Board of Directors on April 30, 2025 and recommended the Financial Statements for consideration and adoption by shareholders in Annual Geeneral Meeting.

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.

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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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 Material 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, revenue recognition is postponed.

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MAHUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3.6.1 Financial assets (Contd')

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 money.

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3.6.1 Financial assets (Contd')

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.

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3.9 Provisions (Contd')

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 dilutive potential equity shares.

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.

Short-term leases and leases of low-value assets:

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

There are no new standards or amendments notified under Companies (Indian Accounting Standards) Rules as at March 31, 2025 which is not effective as at Balance sheet date.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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 2025

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2025	As At March 31, 2024
4	**Cash and Cash Equivalents**		
4.1	Cash on hand	6.77	2.89
4.2	Balances with Banks;		
	In current accounts	670.70	164.45
	In bank deposits (with original maturity of three months or less)	-	-
		670.70	**164.45**
	Total	**677.47**	**167.34**
5	**Bank Balance other than (a) above**		
	Bank deposit*		
	(with original maturity of more than three months)	81.75	77.79
	Total	**81.75**	**77.79**
	[Note:*Represents deposits for the current Year Rs.24.36 lakh (As at 31st March 2024 :Rs.77.79 lakh) held as margin money against loans availed by the Company.]		
6	**Loans**		
	A) Loans (at amortised cost):		
	i) Term loans	6,277.17	4,474.46
	ii) Others - Loan to Employees	-	1.59
	Total (Gross) - A	**6,277.17**	**4,476.05**
	Less : Impairment loss allowance	98.20	64.73
	Total (Net) - A	**6,178.96**	**4,411.32**
	B) Out of above (A)		
	i) Secured	-	-
	ii) Covered by bank / Government guarantees	-	-
	iii) Unsecured	6,277.17	4,476.05
	Total (Gross) - B	**6,277.17**	**4,476.05**
	Less : Impairment loss allowance	98.20	64.73
	Total (Net) - B	**6,178.97**	**4,411.32**
	C) Out of above (A)		
	i) Loans in India		
	a) Public Sector	-	-
	b) Others	6,277.17	4,476.05
	Total (Gross) - C	**6,277.17**	**4,476.05**
	Less : Impairment loss allowance	98.20	64.73
	Total (Net) - C (i)	**6,178.97**	**4,411.32**
	ii) Loans outside India		
	Less : Impairment loss allowance	-	-
	Total (Net) - C (ii)	**6,178.96**	**4,411.32**
	Total (Net) - C (i+ii)	**6,178.96**	**4,411.32**

Note 6.1 There is no Loan Asset measured at FVTOCI or FVTPL or designated at FVTPL.

Note 6.2 The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

(Amount Rs. In Lakhs)

Note 6.3 Reconciliation of Exposure at default (EAD) Vis-à-vis Loan Portfolio

Particlulars	As at 31st March, 2025	As at 31st March, 2024
Balance of Loans as per Balance Sheet	6,178.96	4,411.32
Add:		
Expected Credit Loss	98.20	64.73
Adjustment of Effective interest Rate Accounting	85.85	70.81
Less:		
Employee loan	-	(1.59)
Exposure at Default as per Note 44	**6,363.01**	**4,545.26**

7 **Other Financial Assets**

Unsecured and Considered Good		
Rental Deposits	31.52	10.81
Receivable from BC Partner	284.93	85.23
Interest Spread on Assignment	-	6.09
Other Receivable	164.73	306.95
Total (A)	**481.18**	**409.08**
Unsecured and Considered doubtful		
Security Deposit with BC Partner*	2.86	13.38
Receivable from BC Partner	16.38	19.49
Less: Provision for Doubtful Receivable	(19.24)	(32.87)
Total (B)	-	-
Total (A+B)	**481.18**	**409.08**

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

8 **Other Non Financial Assets**

Prepaid Expenses	11.94	4.90
Staff Advances	3.57	6.36
Balanace with Revenue Authorities	3.32	-
Total	**18.83**	**11.26**

9 **Tax Balances and Expenses**

9.1 **The details of income tax assets and liabilities and Deferred tax liabilities/asset :**

Advance Income Tax	72.06	80.38
Income Tax Provisions	-	(17.91)
Tax Recoverable (Net)	**72.06**	**62.47**
Deffered Tax Asset	93.79	62.06
Deffered Tax Liabilties	(1.32)	(2.71)
Deffered Tax Assets (Net)	**92.47**	**59.34**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. In Lakhs)

Note no.	Particulars	As at April 01, 2024	(Charge) / credit to profit and loss	(Charge)/ credit to OCI	As at March 31, 2025
9.2	**Deferred Tax Assets / (Liabilities)**				
	Tax effect of items constituting deferred tax assets				
	Application of EIR on financial assets	17.97	3.63	-	21.60
	Allowance for ECL	24.52	5.04	-	29.56
	Provision on Expense	16.22	23.73	-	39.95
	Others	3.35	(0.68)	0.01	2.68
		62.06	31.72	0.01	93.79
	Tax effect of items constituting deferred tax liabilities				
	Depreciation & Amortization on property, plant and equipment / Intangible assets	(2.71)	1.39	-	(1.32)
	Net Deferred Tax Assets	**59.35**	**33.13**	**-**	**92.47**

Particulars	As at April 01, 2023	(Charge) / credit to profit and loss	(Charge)/ credit to OCI	As at March 31, 2024
Deferred Tax Assets / (Liabilities)				
Tax effect of items constituting deferred tax assets				
Application of EIR on financial assets	-	17.97	-	17.97
Allowance for ECL	67.57	(43.05)	-	24.52
Provision on Expense	-	15.20	1.02	16.22
Others	-	3.35	-	3.35
	67.57	(6.54)	1.02	62.06
Tax effect of items constituting deferred tax liabilities				
Depreciation & Amortization on property, plant and equipment / Intangible assets	(0.39)	(2.32)	-	(2.71)
Net Deferred Tax Assets	**67.18**	**(8.86)**	**1.02**	**59.34**

Note no.	Particulars	For the year ended March 31, 2025	March 31, 2024
9.3	**Significant component of income tax expenses for the year ended March 31,2025 and March 31,2024 are as under:**		
	Current tax	-	17.91
	Deferred tax due to origination of temporary difference	(33.13)	8.86
	Adjustments of earlier year tax	(7.24)	-
	Total	**(40.37)**	**26.77**
9.4	**A reconciliation of the income tax provision**		
	Accounting Profit Before tax	(1,513.23)	122.97
	Normal Rate of Tax	25.17%	25.17%
	Tax liability on accounting profit	**(380.85)**	**30.95**
	Tax Effect of Non deductible Expenses	58.97	0.79
	Tax Effect of Deductible Expenses	(16.12)	(10.39)
	Carried forward losses	(42.85)	(3.44)
	Deferred tax on temporary differences	(33.13)	8.86
	Adjustment of earlier year tax	(7.24)	-
	Total income tax expense	**(40.37)**	**26.77**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

10 **Property Plant and Equipments**

(Amount Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2024	Additions	Disposals	As at March 31, 2025	As at April 01, 2024	For the year	Disposals	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Furniture and fixtures	28.15	23.61	-	51.76	2.29	3.52	-	5.81	45.96	25.86
Office equipment	16.02	8.02	-	24.03	4.63	3.99	-	8.61	15.42	11.38
Computer	103.49	40.50	-	143.98	33.82	36.44	-	70.27	73.72	69.66
Vehicles	64.21	99.51	9.32	154.40	8.95	24.42	5.49	27.88	126.53	55.27
Total	**211.87**	**171.63**	**9.32**	**374.18**	**49.69**	**68.37**	**5.49**	**112.56**	**261.62**	**162.18**

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	As at April 01, 2023	For the year	Disposals	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Furniture and fixtures	7.84	20.31	-	28.15	0.80	1.49	-	2.29	25.86	7.04
Office equipment	9.88	6.13	-	16.02	2.06	2.57	-	4.63	11.38	7.83
Computer	40.77	62.72	-	103.49	11.49	22.33	-	33.82	69.66	29.27
Vehicles	9.32	54.89	-	64.21	3.27	5.67	-	8.94	55.27	6.05
Total	**67.81**	**144.06**	**-**	**211.87**	**17.62**	**32.07**	**-**	**49.69**	**162.18**	**50.19**

11 **Other Intangible Assets**

(Amount Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 1st April,2024	Additions	Disposals	As at March 31, 2025	As at 1st April,2024	For the year	Disposals	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Software	-	4.28	-	4.28	-	1.03	-	1.03	3.25	
Total	-	**4.28**	-	**4.28**	-	**1.03**	-	**1.03**	**3.25**	-

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	As at April 01, 2023	For the year	Disposals	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Software	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

12 **Right of Use of Asset**

(Amount Rs. In Lakhs)

Particulars	Buildings
Balance as at March 31, 2023	**203.78**
Amortisation during the Year	23.51
Balance as at March 31, 2024	**180.27**
Addition during the Year	371.97
Termination during the Year	(162.63)
Amortisation during the Year	38.72
Balance As at March 31, 2025	**350.88**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2025	As At March 31, 2024
13	**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	115.69	87.71
	Total	**115.69**	**87.71**

Trade Payable Aging Schedule

As at March 31, 2025 **(Amount Rs. In Lakhs)**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	16.48				**16.48**
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**16.48**	-	-	-	**16.48**
Unbilled	-	-	-	-	-
Not Due	99.21	-	-	-	**99.21**
Grand Total	**115.69**	-	-	-	**115.69**

As at March 31, 2024 **(Amount Rs. In Lakhs)**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
MSME	-	-	-	-	-
Others	28.35				**28.35**
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**28.35**	-	-	-	**28.35**
Unbilled	-	-	-	-	-
Not Due	59.37	-	-	-	**59.37**
Grand Total	**87.71**	-	-	-	**87.71**

		As At March 31, 2025	As At March 31, 2024
13.1	**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.

14	**Lease Obligation**		
	Lease liabilities	346.16	193.82
	Total	**346.16**	**193.82**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2025	As At March 31, 2024
15	**Other Financial Liabilities**		
	Employee dues Payable	40.42	72.11
	Interest accrued but not due on borrowings	63.05	7.11
	Other Liabilities	67.58	24.59
	Total	**171.05**	**103.82**
16	**Provisions**		
	Provision for employee benefits		
	Compensated absences	90.31	34.19
	Gratuity	68.43	30.26
	Total	**158.74**	**64.46**
17	**Other Non-financial liabilities**		
	Statutory Remittances	58.14	67.06
	Other Liability	-	-
	Total	**58.14**	**67.06**
18	**Debt Securities**		
	Non-Convertible Debentures (At Amortised Cost)	4,344.17	-
	Total	**4,344.17**	-
	Less: Unamortised transaction costs	(45.11)	-
	Total	**4,299.06**	-
	Out of above,		
	Debt Securities in India	4,299.06	-
	Debt Securities outside India	-	-
	Total	**4,299.06**	-

Details of Securities:

	Particulars	March 31, 2025	March 31, 2024	Rate of Interest	Term of repayment of loan
(i)	Gojo & Co Inc NCD (Unsecured)	1,490.00	-	13.50%	36 months
(ii)	Vivitri Fixed Income Fund*	2,854.17	-	13.90%	21 months

*Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. In Lakhs)

Note no.	Particulars	As At March 31, 2025	As At March 31, 2024
19	**Borrowings (Other than Debt Securities)**		
	(a) Term loans (Secured)		
	(i) from banks (At Amortized Cost)	-	-
	(ii) from other parties (At Amortized Cost)	1,020.73	2,419.60
	Total	**1,020.73**	**2,419.60**
	Less: Unamortised transaction costs	(8.25)	(4.42)
	Total	**1,012.48**	**2,415.19**
	Total	**1,012.48**	**2,415.19**
	Borrowings in India	1,012.48	2,415.19
	Borrowings outside India	-	-
	Total	**1,012.48**	**2,415.19**

Terms and Conditions of Borrowings

	Name of the lender	March 31, 2025	March 31, 2024	Residual Maturity	Rate of Interest
	Secured loan from parties other than Banks				
(i)	Incred Financial Services Limited TL	-	71.71	18 months	14.75%
(ii)	Vivitri Capital Private Limited	-	208.33	24 months	VCPL Int + Spread 6.55%
(iii)	Aarohan Financial Services Limited	500.00	-	24 months	14.00%
(iv)	Ananya Finance for Inclusive Growth Private Limited	-	1,702.08	12 months	15.75%-18.50%
(v)	Maanaveeya Development & Finance Private Limited	187.40	437.48	24 months	14.50%
(vi)	Oxyzo Financial Services Limited	333.33	-	24 months	OBLR 6-months Int + Spread 0.65%
	Total (A)	**1,020.73**	**2,419.60**		
	Unamortised Transaction Costs (B)	(8.25)	(4.42)		
	Total (A + B)	**1,012.48**	**2,415.19**		

Notes:

Note 19.1 The Company has not taken any borrowing from Banks and loans taken from other financial instituition is secured by way of Exclusive Charges on Book Debts / loan Assets.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

20 Equity share capital

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised:		
3,00,00,000 (As at March 31, 2024: 3,00,00,000) Equity Shares of Rs. 10 each, Fully Paid up.	3,000.00	3,000.00
Total	**3,000.00**	**3,000.00**
Issued, subscribed and paid-up:		
2,97,93,671 (As at March 31, 2024: 2,36,53,671) Equity Shares of Rs. 10 each, fully Paid-up	2,979.37	2,365.37
Total	**2,979.37**	**2,365.37**

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.)
Balance as at March 31, 2023	1,89,28,671	1,892.87
Addition during the year	47,25,000	472.50
Balance as at March 31, 2024	2,36,53,671	2,365.37
Addition during the year	61,40,000	614.00
Balance as at March 31, 2025	2,97,93,671	2,979.37

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	Ananya Finance for Inclusive growth Private Limited (Incl. Nominees)	Prayas Organisation (AOP)
As at March 31, 2024		
Number of Shares	1,52,25,000	70,03,090
% of holding	64.37%	29.61%
As at March 31, 2025		
Number of Shares	2,97,93,671	-
% of holding	100.00%	-

20.4 Shares held by promoters:

Promoter's Name	No. of Shares	% of total shares	% change during the year
As at March 31, 2025			
Bhadresh Raval	-	-	(100.00%)
Prayas Organisation (AOP)	-	-	(100.00%)
Ananya Finance for Inclusive growth Private Limited (Incl. I	2,97,93,671	100%	55.36%
As at March 31, 2024			
Bhadresh Raval	9,25,581	3.91%	(19.98%)
Prayas Organisation (AOP)	70,03,090	29.61%	(19.98%)
Ananya Finance for Inclusive growth Private Limited	1,52,25,000	64.37%	16.04%

20.5 During the financial year ended March 31, 2025, after obtaining requisite approval from Reserve Bank of India, the Company has issued total 1,45,68,671 equity shares to Ananya Finance for Inclusive Growth Private Limited (AFIGPL). This includes the issue of :

(a) 84,28,671 equity shares from existing shareholders

(b) 61,40,000 equity shares issued by way of fresh issue of equity shares under private placement

As a result of this, AFIGPL has legal and beneficial ownership of 2,97,93,671 equity shares representing 100% of holding in the company.

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

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

21 Other Equity (Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Reserves		
Opening Balance	**33.18**	**13.94**
Transer from Retained Earning during the year	-	19.24
Closing Balance	**33.18**	**33.18**
Securities Premium		
Opening Balance	**325.72**	**231.22**
Money Received against fresh issue of shares	307.00	94.50
Closing Balance	**632.72**	**325.72**
Retained Earnings		
Opening Balance	(115.27)	(189.18)
Net Profit for the year	(1,472.86)	96.20
Transferred from Retained earnings to Statutory Reserves	-	(19.24)
Remeasurement of the net defined benefit liability/asset(net of tax)	0.01	(3.04)
Closing Balance	**(1,588.12)**	**(115.27)**
Total	**(922.22)**	**243.63**

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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 2025

(Amount Rs. In Lakhs)

Note no.	Particulars	For the Year Ended	
		March 31, 2025	March 31, 2024
22	**Interest Income**		
	On Financial Assets measured at Amortized Cost		
	Interest on Loans	1,469.11	853.66
	Interest on Deposit	6.45	7.05
	Interest on Unwinding of Security Deposit	0.75	0.40
	Total	**1,476.31**	**861.10**
23	**Fees & Commission Income**		
	Commission Income	1,453.56	1,356.37
	Service Fees	890.01	555.12
	Total	**2,343.57**	**1,911.49**
24	**Other Income**		
	Miscellaneous Income	31.33	1.78
	Interest on Staff Loan	0.02	0.14
	Foreign Exchange Gain	-	0.61
	Interest Income on I T Refund	2.31	-
	Total	**33.66**	**2.52**
25	**Finance Costs**		
	On Financial Liabilities measured at Amortised Cost		
	Interest on borrowings other than debt securities	475.38	117.28
	Interest on debt securities	213.22	76.75
	Interest expense on Lease Liabilities	36.14	27.36
	Other borrowing cost	2.36	2.95
	Total	**727.10**	**224.33**
	Note:- There is no financial liability measured at FVTPL.		
26	**Fees and Commission Expense**		
	Commission Expense	0.77	4.60
	Total	**0.77**	**4.60**
27	**Net (Gain) / Loss on derecognition of financial instruments under amortised cost category**		
	Bad debts Written off(Net of Recovery)	387.14	152.98
	Security deposite written off	-	187.17
	Total	**387.14**	**340.15**
28	**Impairment on financial instruments/(Reversal of Impairment)**		
	Loans (At Amortized Cost)	19.85	(170.89)
	Total	**19.85**	**(170.89)**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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 2025

(Amount Rs. In Lakhs)

Note no.	Particulars	For the Year Ended	
		March 31, 2025	March 31, 2024
29	**Employee Benefits Expenses**		
	Salaries and wages	2,791.45	1,434.80
	Contribution to provident and other funds	198.38	97.47
	Gratuity Expense	38.17	12.33
	Compensated Absences	68.73	27.55
	Staff welfare expenses	41.92	6.68
	Total	**3,138.65**	**1,578.83**
30	**Other expenses**		
	Rent, taxes and energy costs	246.14	113.54
	Repairs and maintenance	12.60	11.43
	Communication Costs	33.59	19.19
	Printing and stationery	15.15	11.18
	Director's fees, allowances and expenses	7.80	1.43
	Auditor's fees and expenses	10.75	9.30
	Legal and Professional charges	168.37	149.01
	Insurance	3.57	2.66
	Software Expense	143.22	96.05
	Office Expenses	104.32	88.64
	Travelling Expenses	148.81	62.59
	Donation Expense	0.83	0.55
	Miscellaneous Expense	89.99	53.98
	Total	**985.14**	**619.55**
30.1	**Payment to auditors :-**		
	- for statutory audit	7.00	5.50
	- for Limited Review, Certificates and other services	3.75	3.80
	Total	**10.75**	**9.30**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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, 2025	For the Year ended March 31, 2024
Net profit/(loss) for the year for basic EPS	(1,472.86)	96.20
Net profit/(loss) for the year for diluted EPS	(1,472.86)	96.20
Weighted average no. of shares (In nos.) for basic EPS	2,37,54,000	2,16,39,737
Weighted average no of shares for diluted EPS	2,37,54,000	2,16,39,737
Face value of equity shares	10.00	10.00
Earning/(loss) Per Share (Basic)	**(6.20)**	**0.44**
Earning/(loss) Per Share (Diluted)	**(6.20)**	**0.44**

32 Contingent liability

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the company not acknowledge as debt	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 four leases details of which are given below:

Premises	Duration of lease	Lock in Period
Premise - 1 Corporate office Gurgaon	108 months	60 months
Premise - 2 Agra Regional Office	36 months	-
Premise - 3 Jaipur Regional Office	36 months	-
Premise - 4 Varanasi Regional Office	24 months	-

Maturity Analysis of Lease Liabilities(Discounted Cashflow)

Particulars	As at March 31, 2025	As at March 31, 2024
Upto 3 months	5.58	2.24
Over 3 months upto 1year	18.17	7.20
Over 1 year upto 3 years	44.56	52.44
Over 3 years upto 5 years	104.01	61.57
Over 5 years	173.84	70.38
Total	**346.16**	**193.82**

Lease Liability movement (Amount Rs. In Lakhs)

Particulars	Lease Liability
As at 1st April, 2023	**202.03**
Addition during the year	-
Interest on Lease Liability	27.36
Lease rent paid for the year	(35.57)
As at 31st March, 2024	**193.82**
Addition during the year	354.30
Interest on Lease Liability	36.14
Termination of Lease During year	(187.53)
Lease rent paid for the year	(50.57)
As at 31st March, 2025	**346.16**

Amount Recognised in Statement of Profit & Loss

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest on Lease Liabilities	36.14	27.36
Amortisation of ROU Assets	38.72	23.51
Expense related to Short-term Leases	228.52	101.86

Amount Recognised in Statement of Cash Flows

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Under Financing activities (Repayment of lease liability)	50.57	35.57
Under Operating activities (Short term leases)	228.52	101.86
Total cash outflow for leases	**279.09**	**137.43**

35 Related party disclosures

35.1 Related party

(a) Ultimate Holding Company

Gojo & Co.	Ultimate Holding Company

(b) Holding Company

Ananya Finance Inlcusive growth Private Limited	Holding Company

(c) Name of Key Management Personnel of Company (KMP) :

1	Bhadreshkumar Keshavlal Rawal	Director (upto 5th October, 2024)
2	Abhisek Khanna	Managing Director and Chief Executive Director of the Company (from 16th May, 2023)
3	Pranav Desai	Chief Finance officer (from 14th August 2023)
4	Jyoti Singh Chauhan	Company Secretary (from 10th November, 2022 till 17th June 2023)
5	Ms. Ritika Agarwal	Company Secretary (from 14th August, 2023 till 4th November, 2023)
6	Ms. Divya Rathi	Company Secretary (from 4th November, 2023)

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

1	Gaurav Gupta	Managing Director (Upto 31st August 2024)
2	Pranav Desai	Chief Financial Officer
3	Abhisek Khanna	Executive Director (Upto 31st August 2024) Managing Director & Chief Executive Officer (from 1st September 2024)
4	Divya Rathi	Company Secretary (From 15th February, 2023)

(e) Relative of KMP of Company

1	Sunitaben Rawal	Relative of Director (upto 5th October, 2024)
2	Yug Rawal	Relative of Director (upto 5th October, 2024)
3	Charmi Rawal	Relative of Director (upto 5th October, 2024)

(f) Enterprises over which KMP have significant infulence

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

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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 2025

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, 2025	For the Year ended March 31, 2024
Bhadresh Rawal		
Sale of Vehicle	3.83	-
Professional Fees (Refere Note below)	12.00	24.00
(Note: Total professional fees paid during Financial Year 2024-25 is Rs. 20 lakhs out of which Rs. 12 lakhs were paid upto October 05, 2024.)		
Sunitaben Rawal		
Repayment of Non-Convertible Debentures	-	12.00
Interest on Non-Convertible Debentures	-	1.54
Rent Expense	1.80	1.80
Prayas Organization For Sustainable Development (Trust)		
PASIO Program Expense	14.33	28.66
Rent Expense	9.90	12.21
Prayas Organization For Sustainable Development - Section 8		
Rent Expense	1.35	1.80
Ananya Finance For Inclusive Growth Private limited		
Acquisition of Loan Portfolio	570.90	-
Commission Income	1,453.23	885.40
Issue of Equity Share (Including Securities Premium)	921.00	567.00
Security Deposits Placed	-	100.70
Security Deposits Adjusted	10.92	120.71
Interest Income on Security Deposits	0.71	1.65
Guarantee Fee Expense	0.77	4.60
Loan Taken	950.00	2,000.00
Loan Repayment	2,652.08	297.92
Interest Expense on Loan	354.73	21.53
Processing Fees on Loan	-	2.50
Jyoti Singh Chauhan		
Remuneration	-	1.64
Leave Encashment	-	0.15
Ritika Agarwal		
Remuneration	-	2.25
Charmi Rawal		
Repayment of Non-Convertible Debentures	-	25.00
Interest on Non-Convertible Debentures	-	3.21
Yug Rawal		
Repayment of Non-Convertible Debentures	-	25.00
Interest on Non-Convertible Debentures	-	3.21
Gojo & Co		
Interest Expense on NCD	143.56	-
Services fees	-	90.89

The above compensation to key management personnel excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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, 2025	Closing balance as on March 31, 2024
Prayas Organisation for Sustainable Development		
Rent Payable	-	1.07
PASIO Program Expense Payable	-	24.16
Prayas Organization For Sustainable Development - Section 8		
Amount receivable in course of Intermediary Services	1.26	-
Gojo & Co		
Debt Securities	1490.00	-
Interest Payable	38.69	-
Services fees Receivable	-	86.80
Ananya Finance For Inclusive Growth Private limited		
Commission Income Receivable	243.52	7.40
Balance of Security Deposit	-	10.92
Guarantee Expense Payable	0.41	0.99
Loan Processing fees , Insurance & Other Receivable	2.36	38.37
Balance of Guarantee received	-	280.04
Loan Outstanding	-	1,702.08
Interest Payable on Loan	-	1.42
Amount Receivable against loan assignment	54.94	-
Amount Payable under BC Operations	23.62	10.88
Sunitaben Rawal		
Rent Payable	0.15	0.15

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.

Particulars	Nature of Transaction	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Name of the KMP :			
Bhadresh Rawal	Gross Salary including perquisites	-	-
	Payment of Professional fees	12.00	24.00
Jyoti Singh Chauhan	Gross Salary including perquisites	-	1.79
Ms. Ritika Agarwal	Gross Salary including perquisites	-	2.25

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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 similar instruments 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.

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 of similar instruments 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, 2025 (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*	677.47	-	-	677.47	-	-	-	-
Other Bank Balance*	81.75	-	-	81.75	-	-	-	-
Loans	6,178.96	-	-	6,178.96	-	-	6,131.03	6,131.03
Other Financial assets*	481.18	-	-	481.18	-	-	-	-
Total Financial Assets	**7,419.36**	-	-	**7,419.36**	-	-	**6,131.03**	**6,131.03**

As at March 31, 2025 (Amount Rs. In Lakhs)

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Trade Payables*	115.69	-	-	115.69	-	-	-	-
Lease Obligation*	346.16	-	-	346.16	-	-	-	-
Debt Securities	4,299.06	-	-	4,299.06	-	-	4,350.74	4,350.74
Borrowings (Other than Debt Securities)	1,012.48	-	-	1,012.48	-	-	1,023.54	1,023.54
Other financial liabilities*	171.05	-	-	171.05	-	-	-	-
Total Financial Liabilities	**5,944.44**	-	-	**5,944.44**	-	-	**5,374.27**	**5,374.27**

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

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2025

As at March 31, 2024 (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*	167.34	-	-	167.34	-	-	-	-
Other Bank Balance*	77.79	-	-	77.79	-	-	-	-
Loans	4,411.32	-	-	4,411.32	-	-	4,414.51	4,414.51
Other Financial assets*	409.08	-	-	409.08	-	-	-	-
Total Financial Assets	**5,065.53**	**-**	**-**	**5,065.53**	**-**	**-**	**4,414.51**	**4,414.51**

As at March 31, 2024 (Amount Rs. In Lakhs)

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Trade Payables*	87.71	-	-	87.71	-	-	-	-
Lease Obligation*	193.82	-	-	193.82	-	-	-	-
Borrowings (Other than Debt Securities)	2,415.19	-	-	2,415.19	-	-	2,420.16	2,420.16
Other financial liabilities*	103.82	-	-	103.82	-	-	-	-
Total Financial Liabilities	**2,800.54**	**-**	**-**	**2,800.54**	**-**	**-**	**2,420.15**	**2,420.15**

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

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

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, 2025
Cash and cash equivalents	-	-	-	677.47	677.47
Bank Balance other than Cash and cash equivalents	-	-	-	81.75	81.75
Loans*	6,241.44	121.57	-	-	6,363.01
Other Financial assets	-	-	-	481.18	481.18

(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, 2024
Cash and cash equivalents	-	-	-	167.34	167.34
Bank Balance other than Cash and cash equivalents	-	-	-	77.79	77.79
Loans*	4,515.55	15.52	14.20	1.59	4,546.85
Other Financial assets	-	-	-	409.08	409.08

*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	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Carrying amount as at 31st March, 2023 (net of impairment provision)	**1,762.65**	**3.87**	**7.77**	**3.17**	**1,777.46**
Gross loan exposure at risk as at 31st March, 2024	4,515.55	15.52	14.20	1.59	4,546.85
Expected Credit Loss	44.58	5.95	14.20	-	64.73
Carrying amount as at 31st March, 2024 (net of impairment provision)	**4,470.97**	**9.56**	-	**1.59**	**4,482.13**
Gross loan exposure at risk as at 31st March, 2025	6,241.44	121.57	-	-	6,363.01
Expected Credit Loss	25.90	72.31	-	-	98.20
Carrying amount as at 31st March, 2025 (net of impairment provision)	**6,215.54**	**49.26**	-	-	**6,264.80**

Refer note 6.3 for reconciliation of Exposure vs Loan Portfolio

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	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Gross carrying amount balance as at 31st March, 2023	**1,770.80**	**6.20**	**145.71**	**3.17**	**1,925.88**
- New loans disbursed during the year	3,993.05	10.15	6.18	-	4,009.38
- Loans closed/written off during the year	(492.29)	(6.20)	(145.71)	(1.58)	(645.78)
- Movement in EAD without change inasset staging	(729.09)	-	-	-	(729.09)
- Movement in EAD due to change inasset staging	(26.92)	5.36	8.02	-	(13.54)
Gross carrying amount balance as at 31st March, 2024	**4,515.55**	**15.52**	**14.20**	**1.59**	**4,546.85**
- New loans disbursed during the year	4,831.54	47.06	397.87	-	5,276.47
- Loans closed/written off during the year	(1,221.52)	(15.52)	(412.07)	(1.59)	(1,650.70)
- Movement in EAD without change inasset staging	(1,756.42)	-	-	-	(1,756.42)
- Movement in EAD due to change inasset staging	(127.96)	73.24	-	-	(54.71)
Gross carrying amount balance as at 31st March, 2025	**6,241.44**	**121.57**	-	-	**6,363.01**

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	Financial Assets where loss allowance measured using simplified approach/ cost	Total
ECL Allowance as at 31st March, 2023	**8.15**	**2.34**	**137.94**	-	**148.43**
- New loans disbursed during the year	41.96	3.38	5.10	-	50.44
- Loans closed/written off during the year	(2.70)	(2.34)	(139.90)	-	(144.94)
- Movement in position without change in asset staging	(1.87)	-	-	-	(1.87)
- Movement in position due to change in asset staging	(0.95)	2.57	11.06	-	12.68
ECL Allowance as at 31st March, 2024	**44.58**	**5.95**	**14.20**	-	**64.73**
- New loans disbursed during the year	18.09	28.48	328.20	-	374.78
- Loans closed/written off during the year	(3.55)	(5.95)	(342.40)	-	(351.90)
- Movement in position without change in asset staging	(33.16)	-	-	-	(33.16)
- Movement in position due to change in asset staging	(0.06)	43.83	-	-	43.76
ECL Allowance as at 31st March, 2025	**25.90**	**72.31**	-	-	**98.20**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(D) Write off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is Rs. 387.14 lakhs (P.Y. Rs. 152.98 lakhs).

(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	Employee Loan	Total EAD
March 31, 2025	6,241.44	121.57	-	-	6,363.01
March 31, 2024	4,515.55	15.52	14.20	1.59	4,546.85

(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.

(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, 2025 and March 31, 2024.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(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, 2025	As at March 31, 2024
Floating Rate Borrowings		
Financial Liabilities	333.33	208.33

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

Impact on Profit / (loss) after tax

(Amount Rs. In Lakhs)

Particulars	March 31, 2025	March 31, 2024
Increase in 50 basis points	(12.47)	(7.80)
Decrease in 50 basis points	12.47	7.80

(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.

(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, 2025									
Financial Liabilities									
Trade Payables	115.69	115.69	-	-	-	-	-	-	-
Lease Liability	346.16	1.83	1.86	1.89	5.85	12.32	44.56	63.38	214.47
Debt Securities	4,299.06	41.23	140.20	140.20	420.59	841.18	2,715.67	-	-
Borrowings (Other than Debt Securities	1,012.48	59.25	59.65	59.68	180.54	305.37	347.99	-	-
Other financial liabilities	171.05	171.05	-	-	-	-	-	-	-
Total	**5,944.44**	**389.05**	**201.71**	**201.76**	**606.97**	**1,158.88**	**3,108.22**	**63.38**	**214.47**
As at March 31, 2024									
Financial Liabilities									
Trade Payables	87.71	87.71	-	-	-	-	-	-	-
Lease Liability	193.82	0.74	0.75	0.75	2.32	4.88	31.18	47.80	105.40
Debt Securities	-	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities	2,415.19	126.15	126.31	126.44	380.35	645.87	1,010.07	-	-
Other financial liabilities	103.82	103.82	-	-	-	-	-	-	-
Total	**2,800.54**	**318.42**	**127.06**	**127.19**	**382.67**	**650.75**	**1,041.25**	**47.80**	**105.40**

(ii) Financing Covanant

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in financial covenants for Financial years ended March 31, 2025 as tabulated below for which the company is negotiating with the lenders to obtain relaxation for waiver of breaches and Management expects that the Company will be able to meet all contractual obligations from borrowings on a timely basis going forward.

Following are the count of lenders wherein breaches of financial covenants were observed as at balance sheet :

Covenant in case of Loans availed	As at	
	March 31, 2025	March 31, 2024
OSS	1	Nil

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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, 2025 and March 31, 2024

39 Break up of loan portfolio (Excluding Interest Accrual)

(Amount Rs. In Lakhs)

Loan Portfolio	As at March 31, 2025	As at March 31, 2024
Opening Loan outstanding	4,473.32	1,893.51
Loans disbursed during the Year	5,236.05	4,755.70
Loans Purchased during the Year	570.90	-
Total (A)	**10,280.27**	**6,649.21**
Write off		
Loans writeoff during the Year	399.20	152.98
Loans recovered during the year on owned portfolio	3,618.60	2,022.91
Total (B)	**4,017.80**	**2,175.89**
Loans outstanding at the end of the yea	**6,262.47**	**4,473.32**
(Refer note 6.3 for reconciliation of Exposure vs Loan Portfolio)		
(*) Reconciliation of Loan Outstanding		
Balance of Loans as per Note 7	6,277.17	4,476.05
Loans to Employees	-	(1.59)
Unamortized Transaction Cost and Accrued Interest	(14.70)	(1.14)
Asset under Management	**6,262.47**	**4,473.32**

Purchase of Portfolio

Details of Assignment transactions undertaken by NBFCs:

Parrticulars	As at March 31, 2025	As at March 31, 2024
1 No. of Transactions	2,867.00	-
2 Aggregate value (net of provisions) of accounts Purchased	570.78	-
3 Aggregate consideration	570.90	-
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain / loss over net book va	-	-

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.

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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

40 (Cont'd)

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,	As at March 31,
Defined benefit obligation at the	30.26	13.87
Current service cost	35.99	11.30
Interest cost	2.18	1.03
Actuarial losses (gains) arising from experience	(3.21)	1.10
Actuarial losses (gains) arising from Demographic	-	(5.19)
Actuarial losses (gains) arising from Financial adjustments	3.20	8.16
Benefits paid	-	-
Defined benefit obligation at the end	**68.43**	**30.26**

ii) Amount recognised in Balance Sheet :

(Amount Rs. In Lakhs)

Particulars	As at March 31,	As at March 31,
Defined benefit obligation	68.43	30.26
Fair value of plan assets	-	-
Deficit in the plan	**68.43**	**30.26**

iii) Expense recognised in Statement of Profit and Loss

(Amount Rs. In Lakhs)

Particulars	As at March	As at March 31,
Current service cost	35.99	11.30
Interest on obligation	2.18	1.03
Expected return on plan assets	-	-
Total included in employee benefits	**38.17**	**12.33**

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

(Amount Rs. In Lakhs)

Particulars	As at March	As at March 31,
Actuarial Changes Arising from Changes in Experience Assumptions	(3.21)	1.10
Actuarial losses (gains) arising from Demographic adjustments	-	(5.19)
Actuarial losses (gains) arising from Financial adjustments	3.20	8.16
Closing amount recognised in OCI	**(0.01)**	**4.07**

v) Principal actuarial assumptions

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.61%	7.19%
Expected return on plan assets	NA	NA
Future salary increase	10.00%	10.00%
Retirement Age	60 Yrs	60 Yrs
Mortality Rate	Indian Assured Lives Mortality (2012-14) urban	Indian Assured Lives Mortality (2012-14) urban
Withdrawal rate	15%	15%

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, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	1.69	0.06
Year 2	1.81	1.60
Year 3	3.02	1.61
Year 4	5.73	2.36
Year 5	9.46	4.41
more than 5 Years	112.38	18.23

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

Particulars	As at March	As at March 31,
Increase/decrease on present value of defined benefits		
i) 1% increase in discount rate	(5.37)	(2.31)
ii) 1% decrease in discount rate	6.16	2.63
iii) 1% increase in salary escalation rate	5.90	2.54
iv) 1% decrease in salary escalation rate	(5.26)	(2.27)
v) 1% increase in withdrawal rate	(2.92)	(1.23)
vi) 1% decrease in withdrawal rate	3.15	1.31

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

Particulars	As at March 31, 2025	As at March 31, 2024
Contribution for Next 12 Months	1.69	0.06

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	As at March 31,
i) Provident fund	169.86	75.05
ii) Employee state insurance	27.79	22.01
iii) Labour Welfare Fund	0.73	0.42
Total	**198.38**	**97.47**

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

Amount recognised in Statement of Profit and Loss towards	As at March	As at March 31,
i) Leave Encashment	68.73	27.55
Total	**68.73**	**27.55**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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, 2025	As at March 31, 2024
CRAR (%)	27.77%	49.62%
CRAR - Tier I Capital (%)	26.52%	48.69%
CRAR - Tier II Capital (%)	1.25%	0.93%
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, 2025	As at March 31, 2024
(i) Highly Liquid Assets		
(A) Cash and cash equivalents	734.86	167.34
(B) Marketable Securities	-	-
(ii) Net Cash outflows of next 30 days from year end		
(A) Cash Outflows	1,514.40	793.99
(B) Cash inflows	546.61	698.53
(iii) Liquidity Coverage Ratio	**75.93%**	**175.31%**

(iii) Microfinance Loans to Toal Assets

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Total Microfinance Loans	6353.92	4,452.72
(ii) Total Assets	8218.47	5,541.06
(iii) Ratio of microfinance Loans to Total Assets	77.31%	80.36%

(B) Disclosure of Investments

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
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		
Opening Balance	Not Applicable	
Add: Provision made during the year		
Less : Write -off / write-back of excess provisions during the year		
Closing balance	-	-

(C) Assignment of loans:

During the year March 31, 2025 and March 31, 2024, the Company has not sold any loans through direct assignment / securitisation.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MAHENDRA & 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

Gross loans advances includes unsecured advances of Rs. 6,277.17 Lakhs. (Previous year Rs. 4,476.05 Lakhs). 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 2024-25 and 2023-24

(I) Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2025 & March 31, 2024 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.
f. Participation in currency futures & currency options.
g. Prior period items and changes in accounting policies.
h. Divergence in asset classification and provisioning.
i. Unhedged Foreign Currency Exposure.

(J) Remunration paid to Non Executive Directors:

(Amount Rs. In Lakhs)

Name of the Director	For the period ended March 31, 2025	For the period ended March 31, 2024
Mr. Bhadresh Rawal*	20.00	24.00
Mr. Surendra Srivastav	3.15	1.43
Mr. Siddharth Sinha	1.95	-
Mrs. Bhavana Srivastav	2.70	-
Total	**27.80**	**25.43**

*(Note: Total professional fees paid during Financial Year 2024-25 is Rs. 20 lakhs out of which Rs. 12 lakhs were paid upto October 05, 2024.)

(K) Details of Provisions and Contingencies

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision towards non performing advances	-	14.20
Provision for Standard Assets	98.20	50.53
Provision for employee benefits	158.74	64.46
Total	256.94	129.18

(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.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(M) Details of sectorwise NPA:

(Amount Rs. in Lakhs)

Sector	Total Exposure (includes on balance sheet)	
	March 31, 2025	March 31, 2024
Microfinance Loan	6,262.47	4,473.32
Other loans*	-	-

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

(Amount Rs. in Lakhs)

Sector	Gross NPAs	
	March 31, 2025	March 31, 2024
Microfinance Loan	-	14.20
Other loans*	-	-

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

Sector	% of NPAs to total advances in	
	As at March 31, 2025	As at March 31, 2024
Microfinance Loan	0.00%	0.32%
Other loans*	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, 2025	As at March 31, 2024
i. Number of complaints pending at the beginning of year	-	80
ii. Number of complaints received during the year	152	30
iii. Number of complaints redressed during the year	151	110
iv. Number of complaints pending at the end of the year	1	-

(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 , 2025				
Credit Bureau	-	4	4	-
Product Related Complaint		1	1	-
Credit-Linked Insurance Settlement	-	75	75	-
Staff Financial Mischief	-	65	64	1
Staff Behaviour	-	6	6	-
Other (Request for Concession)	-	1	1	-
As at March 31 , 2024				
Credit Bureau	-	1	1	-
Credit-Linked Insurance Settlement	13	9	22	-
Staff Financial Mischief	-	-	-	-
Staff Behaviour	66	19	85	-
Other (Request for Concession)	1	1	2	-

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

41 (Cont'd)

(P) Disclosure of Whistle blower Complaints

Particulars	As at March 31, 2025	As at March 31, 2024
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 2024-25 and 2023-24.

(R) Deails of fraud:

During the year under review, The Company had total oustanding towards frauds totalling to Rs. 5.06 lakhs (31st March 2024: Rs. 5.22 Lakhs) in respect of its lending operations.Suitable action has been taken by the company to recover the balance amounts.

The Above Information for Individual frauds has been compiled from Fraud Monitoring Return filed with the RBI and board resolutions passed by management of the company).

The Above Information has been compiled by the management and relied upon by the Auditors.

(S) Asset Classification

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

Asset classification	As at 31st March, 2025		As at 31st March, 2024	
	Loan Portfolio	Provision	Loan Portfolio	Provision
Standard Assets	6,363.01	98.20	4,531.07	50.53
Sub standard Assets*	-	-	14.20	14.20
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Total	**6,363.01**	**98.20**	**4,545.26**	**64.73**

(b) The movement in provision for the year ended 31st March 2025, 31st March 2024.

(Amount Rs. In Lakhs)

Particulars	As at 31st March, 2025		
	Standard asset provision	Non-performing asset provision	Total
Opening balance	50.53	14.20	64.73
Additions	90.40	328.20	418.60
Reduction	(42.72)	(342.40)	(385.12)
Closing balance	**98.20**	-	**98.20**

Particulars	As at 31st March, 2024		
	Standard asset provision	Non-performing asset provision	Total
Opening balance	16.79	-	**16.79**
Additions	33.74	14.20	**47.93**
Reduction	-	-	-
Closing balance	**50.53**	**14.20**	**64.73**

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 2024-25 and 2023-24.

(T) Transaction with Related Parties:

Refer Note 36 for Transaction with Related Parties and it's Outstanding Balances.

(U) Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) Exceeded:

The company has not exceeded the prudential exposure limits during the current and previous year.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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

(Amount Rs. In Lakhs)

As at March 31, 2025	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 (Including Debt Securities)	-	20.67	79.81	199.84	199.88	601.13	1,146.55	3,063.66	-	-	**5,311.54**
Asset											
Loans	-	-	468.59	400.78	405.33	1,187.95	1,996.63	1,739.52	78.37	-	**6,277.17**

(Amount Rs. In Lakhs)

As at March 31, 2024	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	20.83	11.56	93.76	126.31	126.44	380.35	645.87	1,010.07	-	-	**2,415.19**
Asset											
Loans	152.62	121.98	13.95	248.44	241.53	717.63	1,325.85	1,565.19	24.13	-	**4,411.32**

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

PRAYAS FINANCIAL SERVICES PVT. LTD.
U67190GJ2017PTC096063
PRAYAS

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

43 Maturity analysis of assets and liabilities

(Amount Rs. In Lakhs)

	Particulars	As at March 31, 2025			As at March 31, 2024		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	ASSETS						
[1]	**Financial Assets**						
(a)	Cash and cash equivalents	677.47	-	677.47	167.34	-	167.34
(b)	Bank Balance other than (a) above	81.75	-	81.75	77.79	-	77.79
(c)	Loans	4,389.13	1,789.84	6,178.96	2,822.00	1,589.32	4,411.32
(d)	Other Financial assets	463.02	18.15	481.18	403.70	5.38	409.08
		5,611.37	**1,807.99**	**7,419.36**	**3,470.83**	**1,594.69**	**5,065.53**
[2]	**Non-financial Assets**						
(a)	Current tax assets (Net)	72.06	-	72.06	-	62.47	62.47
(b)	Deferred tax Assets (Net)	-	92.47	92.47	-	59.34	59.34
(c)	Property, Plant and Equipment	-	261.62	261.62	-	162.18	162.18
(d)	Other Intangible assets	-	3.25	3.25	-	-	-
(e)	Right of Use Asset	-	350.88	350.88		180.27	180.27
(f)	Other non-financial assets	18.83	-	18.83	11.26	-	11.26
		90.89	**708.22**	**799.11**	**11.26**	**464.27**	**475.53**
	Total Assets	**5,702.27**	**2,516.21**	**8,218.47**	**3,482.10**	**2,058.96**	**5,541.06**
	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	115.69	-	115.69	87.71	-	87.71
(b)	Lease Obligation	23.75	322.41	346.16	9.44	184.38	193.82
(c)	Debt Securities	1,583.38	2,715.68	4,299.06	-	-	-
(d)	Borrowings (Other than Debt Securities)	664.49	347.99	1,012.48	1,405.12	1,010.07	2,415.19
(e)	Other financial liabilities	171.05	-	171.05	103.82	-	103.82
		2,558.38	**3,386.07**	**5,944.44**	**1,606.09**	**1,194.45**	**2,800.54**
[2]	**Non-Financial Liabilities**						
(a)	Provisions	-	158.74	158.74	0.06	64.40	64.46
(b)	Other non-financial liabilities	58.14	-	58.14	67.06	-	67.06
		58.14	**158.74**	**216.88**	**67.12**	**64.40**	**131.52**
[3]	**EQUITY**						
(a)	Equity Share capital	-	2,979.37	2,979.37	-	2,365.37	2,365.37
(b)	Other Equity	-	(922.22)	(922.22)	-	243.63	243.63
	Total Equity	**-**	**2,057.15**	**2,057.15**	**-**	**2,609.00**	**2,609.00**
	Total Liabilities and Equity	**2,616.52**	**5,601.96**	**8,218.47**	**1,673.21**	**3,867.85**	**5,541.07**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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, 2025

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, 2025 (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	6,241.44	25.90	6,215.54	25.04	0.86
	Stage 2	121.57	72.31	49.26	62.62	9.69
Subtotal		**6,363.01**	**98.20**	**6,264.81**	**87.66**	**10.54**
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	Stage 1	-	-	-	-	-
commitments, etc. which are in the scope of	Stage 2	-	-	-	-	-
Ind AS 109 but not covered under current	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	6,241.44	25.90	6,215.54	25.04	0.86
	Stage 2	121.57	72.31	49.26	62.62	9.69
	Stage 3	-	-	-	-	-
	Total	**6,363.01**	**98.20**	**6,264.81**	**87.66**	**10.54**

As at March 31, 2024 (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	4,515.55	44.58	4,470.97	62.21	(17.64)
	Stage 2	15.52	5.95	9.56	0.20	5.75
Subtotal		**4,531.07**	**50.53**	**4,480.54**	**62.42**	**(11.89)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	14.20	14.20	-	0.14	14.05
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		**14.20**	**14.20**	**0.0**	**0.14**	**14.05**
Other items such as guarantees, loan	Stage 1	-	-	-		-
commitments, etc. which are in the scope of	Stage 2	-	-	-		-
Ind AS 109 but not covered under current	Stage 3	-	-	-		-
Subtotal		-	-	-	-	-
Total	**Stage 1**	4,515.55	44.58	4,470.97	62.21	(17.64)
	Stage 2	15.52	5.95	9.56	0.20	5.75
	Stage 3	14.20	14.20	0.0	0.14	14.05
	Total	**4,545.26**	**64.73**	**4,480.54**	**62.56**	**2.17**

44.1 The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2025 and 31 March 2024 and accordingly, no amount is required to be transferred to impairment reserve.

44.2 Reconciliation of Exposure at default (EAD) Vis-à-vis Loan Portfolio

Particlulars	As at 31st March, 2025	As at 31st March, 2024
Balance of Loans as per Balance Sheet	6,178.96	4,411.32
Add:		
Expected Credit Loss	98.20	64.73
Adjustment of Effective interest Rate Account	85.85	70.81
Less:		
Employee loan	-	(1.59)
Exposure at Default as per Note 44	**6,363.01**	**4,545.26**

44.3 Movement of NPAs:-

(Amount Rs. In Lakhs)

Particular	As at March 31, 2025	As at March 31, 2024
Net NPA to net advance (%)	0.00%	0.00%
Movement of gross NPAs		
Opening Balance	301.60	136.24
Addition during the year	397.87	21.66
Recovered during the year	(12.88)	(6.61)
Write off during the year	(399.19)	(137.09)
Closing balance	1,111.54	301.60
Movement of provision for NPAs		
Opening Balance	14.20	145.51
Addition during the year	328.20	21.66
Reduction/Write off during the year	(342.40)	(152.98)
Closing balance	-	14.20
Movement of net NPAs		
Opening Balance	-	(9.27)
Addition during the year	69.67	-
Reduction/Write off during the year	(69.67)	(9.27)
Closing balance	-	-

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, 2025	As at March 31, 2024
Number of Significant Counterparties	5.00	4.00
Amount (In Lakhs)	5,364.90	2,419.60
% of Total deposits	NA	NA
% of Total liabilities	87.07%	82.52%

45.2 Top 20 large deposits

Since the Company being a Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India and hence, disclosure relating to top 20 Large Deposits is not applicable.

45.3 Top 10 borrowings

Year	As at March 31, 2025	As at March 31, 2024
Amount (In Lakhs)	5,364.90	2,419.60
% of Total Borrowings	100.00%	100.00%

45.4 Funding Concentration based on significant instrument/product

(Amount Rs. In Lakhs)

Year	As at March 31, 2025		As at March 31, 2024	
Name of the Instrument/ Product	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured Non Convertible Debentures	4,344.17	80.97%	-	0.00%
Term loans	1,020.73	19.03%	2,419.60	100.00%
Total	**5,364.90**	**100.00%**	**2,419.60**	**100.00%**

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Commercial papers	NA	NA	NA	NA
Non- Convertible Debentures (original maturity of less than one year)	NA	NA	NA	NA
Other Short term liabilities*	NA	NA	NA	NA

Particulars	As a % of total assets	
Year	As at March 31, 2025	As at March 31, 2024
Commercial papers	NA	NA
Non- Convertible Debentures (original maturity of less than one year)	NA	NA
Other Short term liabilities*	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 has guided Asset Liability Management Committee (ALCO) to ensure adherence to the liquidity risk tolerance/limits and prepare liquidity risk management strategy. The role of the ALCO with respect to liquidity risk would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

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, 2025		As at March 31, 2024	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a) Debentures :				
Secured	4,344.17	-	-	-
Unsecured(other than falling within the meaning of public deposits)	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	1,020.73	-	2,419.60	-
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, 2025		As at March 31, 2024	
	Outstanding	Overdue	Outstanding	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	
c) Other Public deposits				

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, 20	As at March 31, 2024
a) Secured	-	-
b) Unsecured	6,178.96	4,411.32

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, 2025	As at March 31, 2024
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease		
(b) Operating Lease		
(ii) Stock on hire including hire charges under sundry debtors:	Not Applicable	
(a) Assests on hire		
(b) Repossessed Assests		
(iii) Other Loans counting towards AFC activities		
(a) Loans where assests have been repossessed		
(b) Loan other than (a) Above		

46.5 Break up of Investments

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
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		

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

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, 2025					
Amount Net of Provisions					
Secured	-	-	-	-	-
Unsecured	-	-	-	6,178.96	6,178.96
Total	-	-	-	**6,178.96**	**6,178.96**
As at March 31, 2024					
Amount Net of Provisions					
Secured	-	-	-	-	-
Unsecured	-	-	-	4,411.32	4,411.32
Total	-	-	-	**4,411.32**	**4,411.32**

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, 2025		As at March 31, 2024	
	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		Not Applicable		
b) Companies in the same group				
c) Other Related parties				
2. Other than related parties				

46.8 Other Information

(Amount Rs. In Lakhs)

Pariculars	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing Assests		
a) Related Parties	-	-
b) Other than related parties	-	301.60
(ii) Net Non performing Assests		
a) Related Parties	-	-
b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of Debt	-	-

47 The Accounting softwares used by Company for maintaining its books of accounts are having a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. Further, the audit trail feature of accounting software has not been tampered and the audit trail has been preserved by the company during financial year 2024-25 as required by Proviso to Rule 3(1) of Companies (Accounts) Rules, 2014.

48 The disclosure on the following matters required under Schedule III as amended :

a) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year 2024-25 and 2023-24.

b) There were no Satisfaction /Registration of charges pending to be filed with ROC as at March 31, 2025 and March 31, 2024.

c) Not 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 during the financial year 2024-25 and 2023-24.

d) The Company does not hold any benami property under the Benami Transaction(Prohibition) act, 1988 as at March 31, 2025 and March 31, 2024.

e) The Company 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) The Company has not 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 during the financial year March 31, 2025 and March 31, 2024.

g) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

49 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.

50 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.

51 (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 except as tabulated below where the company has received the funds under Business Corrospondent (BC) operations by funding Parties and such funds are directly disbursed to ultimate borrowers, wherein Company acts as a servicer to the Loan Portfolio.

No of Funding Party	Total Disbursement to company by funding party (Amount Rs. in Lakhs)	Total number of ultimate beneficiaries	Total Disbursement to ultimate beneficiaries (Amount Rs. in Lakhs)	Outstanding balance of loan disbursed through company by Funding Party (Amount Rs. in Lakhs)
1	22,973.42	50,931	22,952.29	19,003.26

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)

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2025

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

Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 9680649)
Place: Gurugram
Date: April 30, 2025

Pranav Desai
Chief Financial Officer
& Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2025

Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2025

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PRAYAS FINANCIAL SERVICES PVT. LTD. U67190GJ2017PTC096063 PRAYAS