



**7TH ANNUAL GENERAL MEETING
NOTICE**

NOTICE IS HEREBY GIVEN THAT THE SEVENTH (7TH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF PRAYAS FINANCIAL SERVICES PRIVATE LIMITED WILL BE HELD ON FRIDAY, 9TH DAY OF AUGUST, 2024, AT 12:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT SATYAM-1/308, AMBA BUSINESS PARK, TRI MANDIR CAMPUS, ABOVE HDFC/SBI BANK, ADALAJ, GANDHINAGAR - 382421, THROUGH VIDEO CONFERENCING TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March 31, 2024 and the Report of Directors' and Auditors thereon.

Special Business:

2. Regularization of Additional Director Ms. Bhavana Srivastava (DIN: 07162855) as the Independent Director of the Company.

"RESOLVED THAT Ms. Bhavana Srivastava (DIN: 07162855), who was appointed as an Additional Director by the Board of Directors with effect from January 27, 2024, pursuant to Section 161(1) of the Companies Act, 2013 (the 'Act'), and who is eligible for appointment and has consented to act as Independent Director of the Company, and in respect of whom the Company has received a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of three (3) consecutive years, commencing from January 27, 2024 and ending on January 26, 2027."

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

Pranav Shailesh Desai

(Director)

07153262

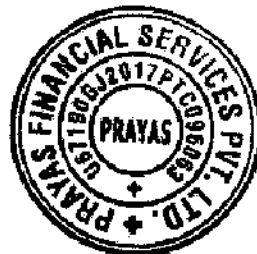
Abhisek Khanna

(Director)

09680649

Date: 30.04.2024

Place: Ahmedabad



Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 - 508 6th Floor Tower A, Emaar Digital Greens, Sec-61, Surugani Hatyana - 121102 India.
Registered Office: Satyam 1/308, Amba Business Park: Above SBI/HDFC Bank, Tri Mandir Campus Adalaj, Gandhinagar, Gujarat, 382421. Phone: 9224
4002821. E-mail: enquiries@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTCO086003



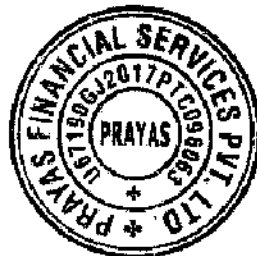
NOTES:

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

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

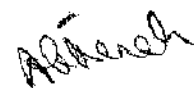
Date: 30.04.2024

Place: Ahmedabad




Pranav Shailesh Desai

(Director)
07153262



Abhisek Khanna

(Director)
09680649

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 - 808, 6th Floor Tower A, Emaar Digital Greens, Sec-61, Gurugram, Haryana - 122102, India.
Registered Office: Satyam 1/308, Amco Business Park, Above SBI/HDFC Bank, Trilmandir Campus, Adajaj, Gandhinagar, Gujarat, 382421 Phone: 0124-4002921, E-mail: care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67390GJ2017PTC096063



EXPLANATORY STATEMENT PURSUANT TO SECTION 110 OF COMPANIES ACT 2013 Special Business:

Item No. 2:- Regularization of Additional Director, Ms. Bhavana Srivastava (DIN:07162855), as Independent Director of the company.

It was informed to the members that, Ms. Bhavana Srivastava was appointed as an Additional Director in the capacity of Non-Executive & Independent Director with effect from 27th January 2024 by the Board of Directors in accordance with the Articles of Association of the Company and Section 149, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualifications of Directors) Rules, 2014.

Ms. Bhavana Srivastava has consented to the proposed appointment and declared qualified. Ms. Bhavana Srivastava possesses requisite knowledge, experience and skill for the position of Independent Director as per required criteria under the Act and rules and regulations made thereunder.

Based on the recommendation of the Board Members and Nomination and Remuneration committee in its meeting held on 27th January 2024 and in view of his knowledge, skill and expertise related to the industry of the company, it is proposed to appoint Ms. Bhavana Srivastava as an Independent Director (Non-Executive) of the company in terms of section 149 read with section 152 of the Companies Act, 2013. Ms. Bhavana Srivastava if appointed will hold office for a consecutive term of 3 years commencing from the date of his appointment in the Board.

The other additional information for appointment of Ms. Bhavana Srivastava as Independent Director of company, are as follows:

PERIOD OF APPOINTMENT: 3 Years (From 27th January 2024 to 26th January 2027).

SHAREHOLDING IN THE COMPANY: Nil

RELATIONSHIP WITH OTHER DIRECTORS, MANAGER AND OTHER KEY MANAGERIAL PERSONNEL: Nil

TERMS AND CONDITIONS: All the other terms and conditions as prescribed in the appointment letter.

The resolution as set out in Item no. 2 of this Notice of AGM are accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number: 806 - B08, 8th Floor, Tower A, Empar Digital Greens, Sec-61, Gurugram, Haryana - 122102 India
Registered Office: Satyam 1/308, Amba Business Park, Above SBI/HDFC Bank, Trilokpur Campus, Adalaj, Gandhinagar, Gujarat, 382421. Phone: 0124-4002921. E-mail: care@prayasfinance.com. Website: www.prayasfinance.com. CIN: U67190GJ2017PTC096063





DIRECTOR'S REPORT

To, **FOR THE YEAR ENDED 31ST MARCH, 2024.**

The Members,

Your Director's present the 7th 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, 2024.

1. Financial Results summary

| Particulars | For The Year Ended 31 st March 2024. (In Lakhs/INR) | For the year ended 31 st March 2023.(In Lakhs/INR) |
|--|--|---|
| Income from Operation | 2772.59 | 1202.52 |
| Other income | 2.52 | 1.67 |
| Profit (Loss) before Depreciation & Tax | 178.55 | 45.15 |
| Less: Depreciation | 55.58 | 22.28 |
| Profit (Loss) before Tax | 122.97 | 22.87 |
| Less: MAT / Current Tax | 17.91 | 7.01 |
| Less: Deferred Tax (expense)/benefit | 8.86 | (37.56) |
| Profit (Loss) after Tax | 96.20 | 53.43 |

2. Your Directors have transferred Rs.19.24 lakhs to the Statutory Reserves as per the Reserve Bank of India Act, 1934.

2. Dividend

Your Directors do not recommend dividend for the year ended with March 31, 2024

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

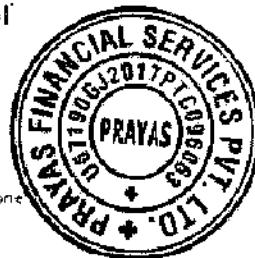
● Revenue:

Your Company posted total income of ₹ 2775.11 lakhs in the year ended on March 31, 2024, as compared to ₹ 1204.19 lakh in the previous year, which is an increase of approx. 130% year-on-year.

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number, 806 - 808, 8th Floor, Tower - A, Emaar Digital Greens, Sec-61, Gurugram, Haryana - 122102, India.
Registered Office: Satyam 1/308, Amba Business Park, Above SBI/HDFC Bank Trimandir Campus, Adalaj, Gandhinagar, Gujarat, 382421 Phone: 0124-4002821 E-mail: care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096063





- **Profit/Loss:**

During the year under review, your company has recorded profit amounting to ₹ 96.20 lakh as compared to profit of ₹ 53.42 lakh in the F.Y. 2022-23.

- **Other Financial Highlights:**

Total expenses of the Company have increased to 2652.14 lakh- as compared to expenses of the previous financial year, which was 1181.32 lakh.

Basic Earnings per Share (BEPS) for the year ended March 31, 2024 is ₹0.44 as against ₹0.32 in the previous financial year. Diluted Earnings Per Share (DEPS) for the year ended March 31, 2024 is ₹0.44 as against ₹0.32 in the previous financial year.

During the year under review, the Company has disbursed ₹ 312,55.85 lacs . The Assets under Management (AUM) as on March 31, 2024 was ₹ 30,275.34 lakh representing an increase of 165.87% over the previous year.

- **Total no. of Branches:** During the year, the Company has opened in total Sixty two (62) branches, out of the five 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 Ninety Five (95).

- **Redemption of Non-Convertible Debentures:** During the year, the company redeemed the Non-Convertible Debentures and filed the necessary forms with the Registrar of Companies, Ahmedabad for the satisfaction of the charge.

Investment by Ananya Finance for Inclusive Growth Private Limited:

Your Directors are pleased to inform you that, the Company had made application to Reserve Bank of India ("RBI") for change in the Shareholding (which would result in Ananya acquiring shareholding of 100%) of the Company.

Your Company has issued up to 47,25,000 (Forty-Seven Lakh Twenty-Five Thousand) new Equity shares with a face value of ₹10 (Rupees Ten Only) each, along with a premium of ₹2 (Rupees Two Only) per share, fully paid-up at a price of ₹12 (Rupees Twelve Only) each, amounting to a total of ₹5,67,00,000 (Rupees Five Crore Sixty-Seven Lakh Only) in physical 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 April 14, 2023.

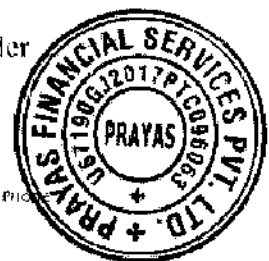
3. Change in the nature of business.

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

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 - 808, 5th Floor, Tower A, Emaar Digital Greens, Sec-F2, Gurugram Haryana- 122102, India
Registered Office: Satyam 1/308, Ambe Business Park, Above SBI/HDFC Bank, Trimandir Campus, Adalaj, Gandhinagar, Gujarat, 382421. Ph: 0124-4002821, E-mail: care@prayssfinance.com, Website: www.prayasfinance.com, CIN: U57190GJ2017PTC096063





review.

4. 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. 47,25,000/- Equity shares of F.V. of Rs. 10 each. Currently, the Issued, Subscribed, Paid-up Share Capital of the Company is ₹ 23,65,36,710 /- (Rupees Twenty Three Crores Sixty Five Lakhs Thirty Six Thousand Seven Hundred and Ten rupees only) divided into 2,36,53,671 (Two Crore Thirty Six Lakhs Fifty three Thousand Six Hundred and Seventy One) Equity shares of ₹ 10/- (Rupees Ten only) each. |

As on 31st March, 2024, 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.

5. 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.

6. 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.

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

- Mr. Abhisek Khanna, appointed as Managing Director in the Board Meeting held

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 - 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-61, Gurugram, Haryana - 122102, India.
Registered Office: Satyam 1/30B, Amba Business Park, Above SBI/NDFC Bank Tri Mandir Campus, Adaraj, Gandhinagar, Guparaj, 382421 Phone: 0124-4002821. E-mail: care@prayasfinance.com. Website: www.prayasfinance.com. CIN: U57190GJ2017PTC096063





- on dated May 16th, 2023.
- Mr. Siddharth Sinha, appointed as Nominee Director in the Board Meeting held on dated May 16th, 2023.
 - Mr. Pranav Shailesh Desai, appointed as Nominee Director in the Board Meeting held on dated May 16th, 2023.
 - Mr. Guerol Sari, appointed as Additional Director (Non-Executive Director) in the Board Meeting held on dated August 14th, 2023.
 - Ms. Bhavana Srivastava was appointed as an Additional Director (Independent Non-Executive Director) on the Board through circular resolution passed on January 27th, 2024.
 - Ms. Ritika Agarwal, appointment as the Company Secretary of the Company dated 14th August, 2023.
 - Ms. Divya Rathi, appointment as the Company Secretary of the Company dated November 04th, 2023.

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

- Ms. Jyoti Singh Chauhan tendered her resignation dated June 17th, 2023, from the post of Company Secretary of the company.
- Ms. Ritika Agarwal tendered her resignation dated November 04th, 2023, from the post of Company Secretary of the company.

8. 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 ID and confirm that they are independent of the management.

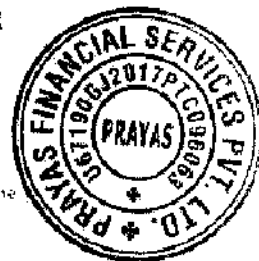
9. Details of Subsidiaries Companies, Joint Venture or Associate Company & LLP/Partnership:

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

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: One Number 406 - 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-61 Gurgaon, Haryana- 122102 India
Registered Office: Satyam L/308, Amba Business Park, Above SBI/HDFC Bank, Trimandir Campus, Adalaj, Gandhinagar, Gujarat, 382421 Phone: 0114-4002821, E-mail: care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096053





10. Number of Board Meetings.

During the Financial Year 2023-24, four (4) meetings of the Board of Directors of the company were held on the following dates:

| Sr. No. | Date of Board Meeting | No. of Director Present in the Meeting |
|---------|-----------------------|--|
| 1. | 16.05.2023 | 2 (Two) out of 3 (Three) Directors were present in the meeting |
| 2. | 14.08.2023 | All directors were present at the meeting |
| 3. | 04.11.2023 | All directors were present at the meeting |
| 4. | 06.02.2024 | All directors were present at the meeting |

11. 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.

12. Particulars of Contracts or Arrangements with Related Parties

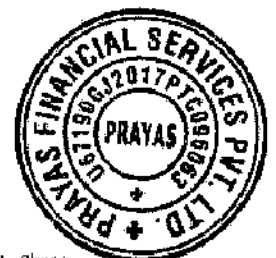
During the year ended 31st March 2024, all the transactions with related parties were carried out on an arm's length basis. The disclosures of transactions with the related party for the financial year, as per Accounting Standard – 18 Related Party Disclosure is given in Note no. 35 to the Balance Sheet as on 31st March 2024.

13. Auditor's Report

Statutory Auditors

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

The Audit Report for the Financial Year ended 31st March, 2024 does not contain any qualification, reservation or adverse remark and forms part of this report.





Internal Auditors

In line with Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the company has a strong 6 members internal audit team that does a periodical audit of the branch and centralized operations. All the 6 staff members are employees of the company. The company's Internal Audit team is supported by specialist external firms for Information Technology / Information Systems Audit, secretarial compliance audit and review of internal controls. The company is looking to hire senior manager to lead the internal audit team.

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.

14. 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.

15. 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.

16. Risk Management Policy.

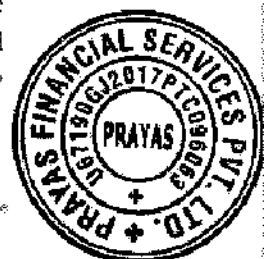
Your company has a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The company has established procedures to periodically place before the Risk Management Committee and Board of Directors, the risk assessment and minimization procedures 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 endeavors to manage the various risks in the business including Credit risk, Liquidity

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number, 806 - 808, 8th Floor, Tower: A, Emaar Digital Greens, Sec-62, Gurgaon, Haryana - 122102 India.
Registered Office: Satyam 1/308 Amba Business Park, Above SBI/HDFC Bank, In Mandir Campus, Adalaj, Gandhinagar, Gujarat, 382421 Phone: 0124-4002821. E-mail: care@prayasfinance.com, Website: www.prayasfinance.com. CIN: U67190GJ2017PTC096063





risk, Market risk, Operational risk and Strategic risks.

The Board of Directors has reconstituted the Risk Management Committee due to Mr. Bhadresh Rawal, a member of the committee, resigning from his position. Ms. Bhavana Srivastava, a Non-Executive Independent Director, has been appointed as a committee member to review the risk management framework of the company on a quarterly basis. The committee comprises the following directors.

| Sr. No. | Name of the Director | Nature of Directorship |
|---------|-------------------------|------------------------|
| 1 | Ms. Bhavana Srivastava | Independent Director |
| 2 | Mr. Dinesh Awasthi | Director |
| 3 | Mr. Surendra Srivastava | Independent Director |

| Sr. No. | Date of Committee Meeting | No. of Members Present in the Meeting |
|---------|--------------------------------|--|
| 1. | 4 th November, 2023 | All the Members were present in the meeting. |
| 2. | 29 th March, 2024 | All the Members were present in the meeting. |

During the Financial Year 2023-24, 2 (Two) meetings of the RMC of the company were held on the following dates:

17. Details of Directors.

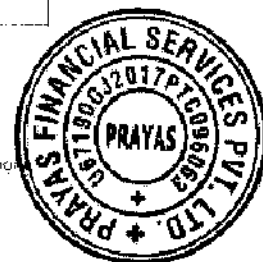
Below is the list of Directors as on March 31, 2024:

| SR. NO. | NAME OF DIRECTOR | DIN | DESIGNATION | DATE OF APPOINTMENT |
|---------|---------------------------------|----------|----------------------|---------------------|
| 1. | Mr. Dinesh Uridaynarain Awasthi | 00415781 | Director | 03/03/2017 |
| 2. | Mr. Bhadresh Keshavlal Rawal | 06746695 | Director | 03/03/2017 |
| 3. | Mr. Surendra Srivastava | 08164095 | Independent Director | 23/03/2022 |
| 4. | Mr. Abhisek Khanna | 09680649 | Managing Director | 16.05.2023 |
| 5. | Ms. Bhavana Srivastava | 07162855 | Independent Director | 27.01.2024 |
| 6. | Mr. Guerol Michael Sari | 10063465 | Director | 14.08.2023 |
| 7. | Mr. Sidharth Sinha | 01831966 | Nominee Director | 16.05.2023 |
| 8. | Mr. Pranav Shailesh Desai | 07153262 | Nominee Director | 16.05.2023 |

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 • 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-61, Gurugram, Haryana- 122102, India.
Registered Office: Satyam 1/308, Amba Business Park, Above SBI/HDFC Bank, Trimandir Campus, Adalaj, Gandhinagar, Gujarat, 382421. Ph: 0124-4007821. E-mail: care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096062





18. 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.

19. 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 | NIL |
| At the end of the year | NIL |
| The details of deposits which are not in compliance with the requirements of Chapter | NIL |

20. 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.

21. Audit Committee

As part of the internal controls monitoring process, the Board of Directors have reconstituted an Audit Committee due to Mr. Bhadresh Rawal, a member of the committee, resigning from his position. Ms. Bhavana Srivastava, a Non-Executive Independent Director, has been appointed as a committee member comprising the Directors listed below. 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:

Prayas Financial Services Private Limited
(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 206 - 208, 8th Floor, Tower A, Linear Digital Greens, Sec 51, Gurugram, Haryana - 122102, India
Registered Office: Satvam 1/308, Amba Business Park, Above SBI/HDFC Bank, Triloknagar Campus, Adalaj, Gandhinagar, Gujarat - 382421, Phone: 0124-4002821, E-mail: cars@prayasfinance.com, Website: www.prayasfinance.com, CIN: U671906JJ2017PTC096063





| Sr. No. | Name of the Director | Nature of Directorship |
|---------|-------------------------|------------------------|
| 1. | Ms. Bhavana Srivastava | Independent Director |
| 2. | Mr. Dinesh Awasthi | Director |
| 3. | Mr. Surendra Srivastava | Independent Director |

During the Financial Year 2023-24, 4 (Four) meetings of the AC of the company were held on the following dates:

| Sr. No. | Date of Committee Meeting | No. of Members Present in the Meeting |
|---------|--------------------------------|---|
| 1. | 16 th May, 2023 | 2 (Two) out of 3 (Three) Directors were present in the meeting. |
| 2. | 14 th August, 2023 | All the members were present in the meeting. |
| 3. | 4 th November, 2023 | All the members were present in the meeting. |
| 4. | 6 th February, 2024 | All the members were present in the meeting. |

22. 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.

Ms. Bhavana Srivastava, Non-Executive Independent Director of the Company, has been appointed to the committee effective January 30, 2024, replacing Mr. Bhadresh Keshavlal Rawal, Non-Executive Director of the Company.

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. Dinesh Awasthi | Director |
| 3. | Mr. Surendra Srivastava | Independent Director |

During the Financial Year 2023-24 (Three) meetings of the Nomination & Remuneration Committee of the company were held on the following dates:



Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number, SC6 - 808, 9th Floor Tower - A, Emaar Digital Greens, Sec-61, Gurugram, Haryana - 120102, India.
Registered Office: Satyam I/36, Amba Business Park Above SBI/HDFC Bank, Trilokhand Campus, Adalaj, Gandhinagar, Gujarat, 382411. Phone: 0124-4002821, E-mail: care@prayasfinance.com Website: www.prayasfinance.com. CIN: U67190GJ2017PTC096053



| Sr. No. | Date of Committee Meeting | No. of Members Present in the Meeting |
|---------|---------------------------------|---|
| 1. | 16 th May, 2023 | 2 (Two) out of 3 (Three) Directors were present in the meeting. |
| 2 | 14 th August, 2023 | All the members were present in the meeting. |
| 3 | 04 th November, 2023 | All the members were present in the meeting. |

23. Disclosure on Establishment of a Vigil Mechanism

Maintaining a fraud-free and corruption-free environment has always been central to our company's culture. Given the potential risks associated with rapid growth, we have intensified our efforts to combat these risks. To address these concerns, the Board of Directors has established a comprehensive Vigil Mechanism and Whistle Blower Policy, which is an integral part of our IIR policies.

In accordance with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Section 177(9) of the Act, we have implemented a Vigil Mechanism Framework. This framework includes the Whistle Blower Policy designed to provide a formal channel for reporting any concerns about questionable practices.

The primary goal of the Framework is to offer a robust mechanism for addressing all reported concerns regarding unethical practices. It allows both Directors and employees at all levels to report actual or suspected violations. The Audit Committee oversees the implementation and effectiveness of this Framework, ensuring that concerns are properly addressed and resolved.

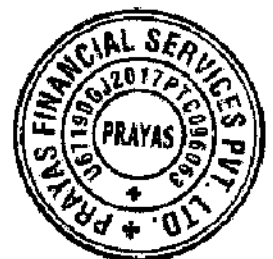
The mechanism established by the Company complies with the requirements of the Act and is available on our website at www.prayasfinance.com.

24. Managerial remuneration.

In the year 2023-2024, none of the directors have been paid managerial remuneration.

Prayas Financial Services Private Limited
(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 - 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-61, Gurugram, Haryana - 122102, India.
Registered Office: Satyam 1/808, Amba Business Park, Above SBI/ HDFC Bank, Trilmandir Campus, Adalaj, Gandhinagar, Gujarat, 382421. Phone: 0124-4002821. E-mail: care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096063





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

In line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, the company has implemented a comprehensive policy for the Prevention of Sexual Harassment at the Workplace, which has been unanimously adopted by the Board of Directors. During the year under review, there were no complaints reported under this policy.

26. 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, 2024, 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, 2024 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.

Prayas Financial Services Private Limited
(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 - 808, 8th Floor, Tower - A, Emaar Digital Greens, Sec-61, Gurugram, Haryana - 122 102, India
Registered Office: Satyam 1/308, Amba Business Park, Above SBI/HDFC Bank, Tri Mandir Campus, Adalaj, Gandhinagar, Gujarat - 382421. Phone: 0124-4002821. E-mail: care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096063





27. Compliance with Secretarial Standards

The Company has adhered to the Secretarial Standards issued by the Institute of Company Secretaries of India in conducting its Board meetings and General Meetings.

28. Reserve Bank of India (RBI) Compliance

a) the company meets the Net Owned Fund (NOF) requirements as specified in the Master Directions for Non-Banking Financial Companies – Systemically Important Non-Deposit Taking Companies (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 board 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 2023-2024 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 Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

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 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

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 + 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-61 Gurgaon, Haryana- 122102 India.
Registered Office: Satyam 1+308, Amba Business Park, Above SBI/HDFC Bank, Tri Mandir Campus, Adalaj, Gandhinagar, Gujarat- 382421 Phone
0124-4002821 E-mail: care@prayasfinance.com Website: www.prayasfinance.com CIN: U07190GJ2017PTC096063





1996-2017

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.

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

**Date: 30.04.2024
Place: Ahmedabad**

Pranav Shailesh Desai

**(Director)
07153262**

Abhishek Khanna

**(Director)
09680649**



Prayas Financial Services Private Limited
(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number: 806 - 808, 8th Floor, Tower A, Emaar Digital Greens, Sec-01 Gurugram, Haryana - 122002 India
Registered Office: Satyam 1, 108, Amba Business Park, Above 58th HDFC Bank, Trilok Campus, Adalaj, Gandhinagar, Gujarat - 382421 Phone: 0124-4002821, E-mail: care@prayasfinance.com Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096806



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]

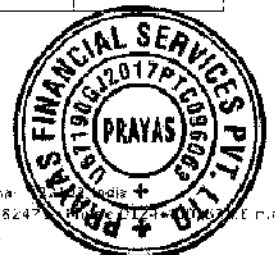
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

| 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, 2024 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 | 01.04.2023 to 31.03.2024 | 24,00,000 /- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Sunitaben Rawal | Rent Expenses | 01.04.2023 to 31.03.2024 | 1,80,000/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Sunitaben Rawal | Repayment of Non Convertible Debenture | 01.04.2023 to 31.03.2024 | 12,00,000/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Sunitaben Rawal | Interest on Non Convertible Debenture | 01.04.2023 to 31.03.2024 | 1,54,060/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 808 - 808 8th Floor Tower A Emaar Digital Greens, Sec-92 Gurgaon, Haryana
Registered Office: Sanyam I-308, Amba Business Park, Above 381, HDFC Bank, IT Mandir Campus Adajaj, Gandhinagar, Surajit 38247
care@prayasfinance.com Website: www.prayasfinance.com. CIN: U67199GJ2017PTC096063





Prayas

THE PRAYAS GROUP

| | | | | | |
|---|----------------------------|--------------------------|---------------|--|----|
| Prayas Organization For Sustainable Development (Trust) | Rent Expense | 01.04.2023 to 31.03.2024 | 12,21,000/- | 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 | 01.04.2023 to 31.03.2024 | 28,66,000/- | 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 | 01.04.2023 to 31.03.2024 | 1,80,000/- | 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 | 01.04.2023 to 31.03.2024 | 8,85,40,287/- | 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 | 01.04.2023 to 31.03.2024 | 5,67,00,000/- | 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 Placed | 01.04.2023 to 31.03.2024 | 1,00,70,000/- | 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 | 01.04.2023 to 31.03.2024 | 1,20,71,115/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 306 - 80B, 8th Floor, Tower A, Emaar Digital Greens, Sector-61, Gurugram Haryana - 122002
Registered Office: Satyam 1, 302, Amba Business Park Above SBI/DFC Bank Triandini Campus, Adhikari, Gandhinagar, Gurgaon - 122001 Phone: 0124-4002621 Email: smc@prayasfinance.com, Website: www.prayasfinance.com, CIN: U62190GJ2017PTCC069062





Prayas

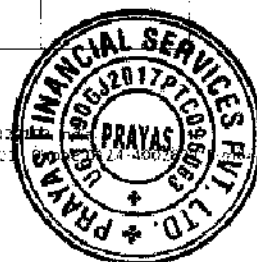
190632017PTC096063

| | | | | | |
|---|-----------------------------|--------------------------|----------------|--|----|
| Ananya Finance For Inclusive Growth Private limited | Interest Income on Security | 01.04.2023 to 31.03.2024 | 1,65,170/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Ananya Finance For Inclusive Growth Private limited | Guarantee Fee Expense | 01.04.2023 to 31.03.2024 | 4,59,677/- | 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 | 01.04.2023 to 31.03.2024 | 20,00,00,000/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Ananya Finance For Inclusive Growth Private limited | Loan Repayment | 01.04.2023 to 31.03.2024 | 2,97,91,666/- | 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 | 01.04.2023 to 31.03.2024 | 21,52,961/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Ananya Finance For Inclusive Growth Private limited | Processing Fee on Loan | 01.04.2023 to 31.03.2024 | 2,50,000/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Jyoti Singh Chauhan | Remuneration | 01.04.2023 to 17.06.2023 | 1,64,160/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |

Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number 806 • 808 Bsn Floor, Tower A, Omkar Digital Greens, Sec-61, Gurugram, Haryana - 122002
Registered Office: Setyam I/308, Amba Business Park, Above SBI/HDFC Bank, Trimandir Campus, Adalaj Gandhinagar, Gujarat 382413
care@prayasfinance.com, Website: www.prayasfinance.com, CIN: U67190GJ2017PTC096063





Prayas

Prayas Finance Pvt. Ltd.

| | | | | | |
|---------------------|---|--------------------------|-------------|--|----|
| Jyoti Singh Chauhan | Leave Encashment | 01.04.2023 to 17.06.2023 | 15,120/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Ritika Agarwal | Remuneration | 14.08.2023 to 04.11.2023 | 2,24,983/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Charmi Rawal | Repayment of Non-Convertible Debentures | 01.04.2023 to 31.03.2024 | 25,00,000/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Charmi Rawal | Interest on Non-Convertible Debentures | 01.04.2023 to 31.03.2024 | 3,20,960/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Yug Rawal | Repayment of Non-Convertible Debentures | 01.04.2023 to 31.03.2024 | 25,00,000/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Yug Rawal | Interest on Non-Convertible Debentures | 01.04.2023 to 31.03.2024 | 3,20,960/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |
| Gojo & Co | Service Fees | 01.04.2023 to 31.03.2024 | 90,88,705/- | Appropriate approval in terms of the management approval system have been taken in all the cases | NO |



Prayas Financial Services Private Limited

(A Subsidiary of Ananya Finance for Inclusive Growth Private Limited)

Corporate Office: Unit Number, 806 - 808 8th Floor, Tower A, Erahar Digital Green, Sec-61 Gurgaon, Haryana - 122102 India
Registered Office: Satyam 1, 308, Amba Business Park, Above SB/HDFC Bank, Indraprastha Campus, Anand, Gandhinagar, Gurgaon, 302471. Phone: 0224-4002871. Email: care@prayasfinance.com, Website: www.pryasfinance.com, CIN: U57199GJ2017PTC099363

Manubhai & Shah LLP

Chartered Accountants

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, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit 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.

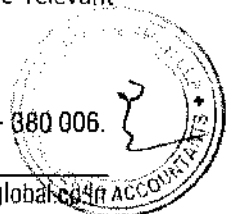
When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the SA 720 'The Auditor's responsibilities Relating to Other Information'.

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878
Regd. Office : G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Ahmedabad - 380 006.
Gujarat, India. Phone : +91-79-2647 0000

Email : info@msglobal.co.in

Website : www.msglobal.co.in

Ahmedabad • Mumbai • New Delhi • Rajkot • Jamnagar • Vadodara • Surat • Gandhinagar • Udaipur • Indore



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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

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

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

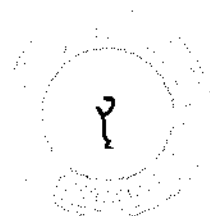
Report on Other Legal and Regulatory Requirements

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 except for the matters stated in the paragraph (h)(vi) below on reporting under Rule 11(g).
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) The remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g).



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations having impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The feature was enabled w.e.f. January 1, 2024 and the same has operated throughout the period thereafter till March 31, 2024. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, after the same was enabled.

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



Manubhai & Shah LLP
Chartered Accountants

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

Place: Ahmedabad
Date: April 30, 2024



For Manubhai & Shah LLP
Chartered Accountants

ICAI Firm Registration No.106041W/W100136

A handwritten signature in black ink, appearing to read 'J. D. Shah'.

(J. D. Shah)

Partner

Membership No.: 100116

UDIN: 24100116BKDFEM8149

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, 2024 to the members of Prayas Financial Services Private Limited]

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

We have audited the internal financial controls over financial reporting of Prayas Financial Services Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

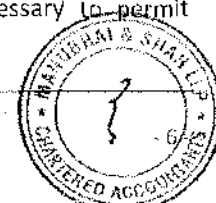
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad
Date: March 31, 2024



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

A handwritten signature in black ink, appearing to read 'J. D. Shah'.

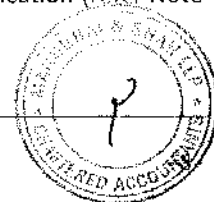
(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 24100116BKDFEM8149

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, 2024 to the members of Prayas Financial Services Private limited]

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

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant and Equipment and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- c) The Company does not have any immovable property. Based on the examination of the lease agreement in respect of immovable property where the Company is the lessee, we report that lease deed is duly executed in 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii. a) The Company does not have any Inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the company.
- b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions in excess of Rs. 500 lakhs and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. a) The Company's principal business is to give loans, and hence reporting under clause (iii)(a) of the Order is not applicable.
- b) The 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 6 to the financial statements).



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

| No. of cases | Principal amount overdue | Interest overdue | Total overdue | Remarks |
|--------------|--------------------------|------------------|-----------------|---------|
| 112 | Rs. 14.20 Lakhs | Rs. 3.16 Lakhs | Rs. 17.36 Lakhs | None |

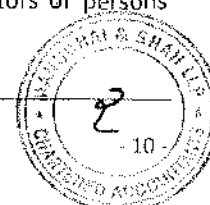
- e) The Company's principal business is to give loans, and hence reporting under clause (iii)(e) of the Order is not applicable.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv. According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year except Professional tax deducted from salaries.
- b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable. Undisputed professional tax in arrears as at March 31, 2024 for a period of more than six months is as under:

| Name of Statute | Nature of Dues | Amount | Period to which the amount relates | Due Date |
|--|------------------|----------------|------------------------------------|-------------------------------------|
| Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 | Professional Tax | Rs. 1.68 Lakhs | Multiple Months | 15 th of Following Month |

- 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, 2024.
- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- f) The Company did not have investment in any subsidiary or associates or joint ventures and hence, reporting under clause (ix)(f) of the Order is not applicable.
- x. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, paragraph 3(x)(a) of the Order is not applicable.
- b) The Company has made 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, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- xi. a) In our Opinion and according to information and explanations given to us, there has been no fraud by the Company or any material fraud on the Company that has been noticed or reported during the year nor have we been informed of any such case by the Management. However, during the year ending on 31st March, 2022 the management had noticed a fraud and cash embezzlement by an employee or officer of the company. During the financial year ended on March 31, 2024, Company has written off Loan portfolio of Rs. 100.08 Lakhs and Security Deposits of Rs. 187.17 Lakhs.
- 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 based on our examination, the Company is not required to have an internal audit system as per provisions of the Companies Act, 2013.
- b) The Company is not required to have an internal audit system under section 138 of the Companies Act, 2013. Hence, reporting under clause (xiv)(b) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



Manubhai & Shah LLP
Chartered Accountants

- 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.
- 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. 10.63 Lakhs during the financial year covered by our audit and Rs. 5.02 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.

Place: Ahmedabad
Date: April 30, 2024



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

A handwritten signature in black ink, appearing to be "J. D. Shah", written over a circular stamp.

(J. D. Shah)
Partner

Membership No.: 100116
UDIN: 24100116BKDFEM8149

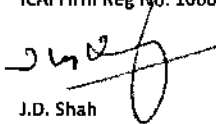
Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Balance Sheet as at March 31, 2024

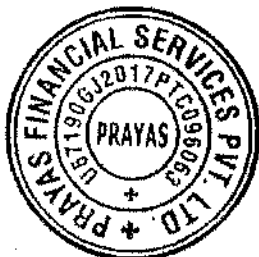
(Amount Rs. In Lakhs)

| Particulars | Note No. | As at | |
|---|----------|-----------------|-----------------|
| | | March 31, 2024 | March 31, 2023 |
| ASSETS | | | |
| [1] Financial Assets | | | |
| (a) Cash and cash equivalents | 4 | 167.34 | 1,219.94 |
| (b) Bank Balance other than (a) above | 5 | 77.79 | 73.59 |
| (c) Loans | 6 | 4,411.32 | 1,750.60 |
| (d) Other Financial assets | 7 | 409.08 | 292.46 |
| Total Financial Assets | | 5,065.53 | 3,336.59 |
| [2] Non-financial Assets | | | |
| (a) Current tax assets (Net) | 9 | 62.47 | 36.74 |
| (b) Deferred tax Assets (Net) | 9 | 59.34 | 67.18 |
| (c) Property, Plant and Equipment | 10 | 162.18 | 50.19 |
| (d) Other Intangible assets | 11 | - | - |
| (e) Right of Use Asset | 12 | 180.27 | 203.78 |
| (f) Other non-financial assets | 8 | 11.26 | 3.04 |
| Total Non Financial Assets | | 475.53 | 360.93 |
| Total Financial and Non Financial Assets | | 5,541.06 | 3,697.52 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| [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 | 87.71 | 22.05 |
| (b) Lease Obligation | 14 | 193.82 | 202.03 |
| (c) Debt Securities | 18 | - | 667.00 |
| (d) Borrowings (Other than Debt Securities) | 19 | 2,415.19 | 675.80 |
| (e) Other financial liabilities | 15 | 103.82 | 137.30 |
| Total Financial Liabilities | | 2,800.54 | 1,704.18 |
| [2] Non-Financial Liabilities | | | |
| (a) Provisions | 16 | 64.46 | 20.99 |
| (b) Other non-financial liabilities | 17 | 67.06 | 23.50 |
| Total Non Financial Liabilities | | 131.52 | 44.49 |
| [3] EQUITY | | | |
| (a) Equity Share capital | 20 | 2,365.37 | 1,892.87 |
| (b) Other Equity | 21 | 243.63 | 55.98 |
| Total Equity | | 2,609.00 | 1,948.85 |
| Total Liabilities and Equity | | 5,541.06 | 3,697.52 |

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
ICAI Firm Reg No. 106041W/W100136

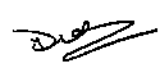

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2024



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


Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 09680649)
Place: Gurugram
Date: April 30, 2024


Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2024


Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2024

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Profit and Loss for the year ended March 31, 2024

(Amount Rs. In Lakhs)

| Particulars | Note No. | For the year ended | |
|--|----------|--------------------|-----------------|
| | | March 31, 2024 | March 31, 2023 |
| REVENUE FROM OPERATIONS | | | |
| (i) Interest Income | 22 | 861.10 | 430.07 |
| (ii) Fees and Commission Income | 24 | 1,911.49 | 723.52 |
| (iii) Net gain on derecognition of financial instruments under amortised cost category | 23 | | 48.93 |
| (I) Total Revenue from operations | | 2,772.59 | 1,202.52 |
| (II) Other Income | 25 | 2.52 | 1.67 |
| (III) Total Income (I+II) | | 2,775.11 | 1,204.19 |
| EXPENSES | | | |
| (i) Finance Costs | 26 | 224.33 | 216.47 |
| (ii) Fees and Commission Expenses | 27 | 4.60 | 1.44 |
| (iii) Net loss on derecognition of financial instruments under amortised cost category | 23 | 340.15 | |
| (iv) Impairment / (Reversal of Impairment) on financial Instruments | 28 | (170.89) | (44.26) |
| (v) Employee Benefits Expenses | 29 | 1,427.82 | 579.53 |
| (vi) Depreciation, amortization and impairment | 10 | 55.58 | 22.28 |
| (vii) Other expenses | 30 | 770.56 | 405.86 |
| (IV) Total Expenses | | 2,652.14 | 1,181.32 |
| (V) Profit before tax (III-IV) | | 122.97 | 22.87 |
| (VI) Tax Expense: | | | |
| (1) Current Tax | 9 | 17.91 | - |
| (2) Adjustment of earlier year Tax | 9 | | 7.01 |
| (3) Deferred Tax | 9 | 8.86 | (37.56) |
| Total Tax Expense | | 26.77 | (30.55) |
| (VII) Profit for the year (V - VI) | | 96.20 | 53.42 |
| (VIII) Other Comprehensive Income | 9 | | |
| (i) Gain/(Loss) on define benefit obligation | | (4.07) | 1.21 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 1.02 | |
| Subtotal (A) | | (3.04) | 1.21 |
| (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) | | (3.04) | 1.21 |
| (IX) Total Comprehensive Income (VII+VIII) | | 93.16 | 54.63 |
| (X) Earnings / (Loss) per equity share of Rs. 10 each | | | |
| Basic (Rs.) | 31 | 0.44 | 0.32 |
| Diluted (Rs.) | | 0.44 | 0.32 |

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
ICAI Firm Reg No. 106041W/W100136

J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2024



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

Abhisek Khanna
Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 09680649)
Place: Gurugram
Date: April 30, 2024

Divya Rath

Divya Rath
Company Secretary
Place: Ahmedabad
Date: April 30, 2024

Pranav Desai
Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2024

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Cash Flow for the Year Ended March 31, 2024

| Particulars | (Amount Rs. In Lakhs) | |
|--|-----------------------|-----------------|
| | For the year ended | |
| | March 31, 2024 | March 31, 2023 |
| (A) Cash flow from operating activities | | |
| Net Profit/(Loss) before tax | 122.97 | 22.87 |
| Adjustments For: | | |
| Depreciation and amortisation | 55.58 | 22.28 |
| Loss on discarded of Intangible Asset | | 9.16 |
| Impairment on financial instruments | (170.89) | (44.26) |
| Net Gain on derecognition of financial instruments under amortised cost category | | (48.93) |
| Interest on Unwinding of Security Deposit | (0.40) | (0.12) |
| Interest on Lease Liability | 27.36 | 9.36 |
| Remeasurement Gain / (Loss) on Defined Benefit Plans | (3.04) | 1.21 |
| Interest income on Fixed Deposits | (9.23) | (62.48) |
| Interest income on loans | (853.66) | (367.46) |
| Interest income received on loans | 896.98 | 338.26 |
| Finance Cost | 196.98 | 207.11 |
| Finance Cost Paid | (205.39) | (191.59) |
| Provision for Employee benefit expenses | 39.88 | 15.16 |
| Operating cash flows before working capital changes | 97.14 | (89.43) |
| (Increase) / decrease in loans | (2,533.16) | (786.38) |
| (Increase) / decrease in other assets | (124.44) | 501.35 |
| Increase in Trade Payables | 65.66 | 13.28 |
| Increase in other liabilities and provisions | 12.65 | 83.49 |
| Cash generated from operations | (2,482.15) | (277.69) |
| Income taxes paid | (43.65) | (27.74) |
| Net cash (used in)/generated from operating activities (A) | (2,525.80) | (300.43) |
| (B) Cash flows from investing activities | | |
| Purchase of Property, Plant, Equipment | (144.06) | (26.98) |
| Interest income on Fixed Deposits | 9.23 | 62.48 |
| Bank deposit/Margin money released | (4.20) | (9.54) |
| Net cash (used in)/generated from investing activities (B) | (139.04) | 25.97 |
| (C) Cash flows from financing activities | | |
| Proceeds from issue of equity shares (net of expenses) | 567.00 | 1,247.89 |
| Repayment of Lease Liabilities (Incl. Initial lease expenses) | (35.57) | (12.60) |
| Proceeds from Issue of Debt Securities | | 667.00 |
| Proceeds from Issue of Other Borrowings | 2,500.00 | 700.00 |
| Repayment of Other Borrowing | (752.20) | (1,260.25) |
| Repayment of Debt Securities | (667.00) | |
| Net cash (used in)/generated from financing activities (C) | 1,612.23 | 1,342.04 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (1,052.60) | 1,067.57 |
| Cash and cash equivalents at the beginning of the Year | 1,219.94 | 152.37 |
| Cash and cash equivalents at the end of the Year | 167.34 | 1,219.94 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Cash Flow for the Year Ended March 31, 2024

Notes to Cash Flow:

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

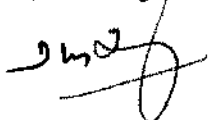
| (II) Components of cash and cash equivalents | As At | |
|---|----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Cash and Cash Equivalents | | |
| Cash on hand | 2.89 | 0.03 |
| Balances with Banks; In bank deposits (with original maturity of three months or less) | 164.45 | 1,219.91 |
| Total | 167.34 | 1,219.94 |

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

| Particulars | (Amount In Rs. lacs) | |
|---|----------------------|-----------------|
| | Amount | |
| Balance as at April 1, 2022 | | 1,236.05 |
| Cash flow from financing activities | | |
| Proceeds from Borrowings (Incl. Debt Securities) | | 1,367.00 |
| Repayment of Borrowings (Incl. Debt Securities) | | (1,260.25) |
| Repayment of lease liabilities | | (11.85) |
| Total Cash flow from financing activities | | 94.89 |
| Non cash changes | | |
| Addition in Lease Liability | | 204.52 |
| Interest on Lease Liabilities (Ind AS 116 Adjustment) | | 9.36 |
| Balance as at March 31, 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 activities | | 1,045.23 |
| Non cash changes | | |
| Interest Accrued | | (8.41) |
| Interest on Lease Liabilities (Ind AS 116 Adjustment) | | 27.36 |
| Balance as at March 31, 2024 | | 2,609.01 |

Summary of Material Accounting Policies(Refer Note no. 3)
See accompanying notes to the financial statements in terms of our report attached

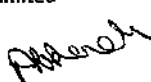
As per our report of evendate,
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Reg No. 106041W/W300136



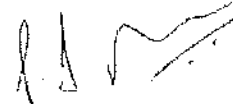
J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2024



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



Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 09680649)
Place: Gurugram
Date: April 30, 2024



Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Place: Ahmedabad
Date: April 30, 2024



Divya Rath
Company Secretary
Place: Ahmedabad
Date: April 30, 2024

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Statement of Changes in Equity for the year ended March 31, 2024

A Equity Share Capital


| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|--|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | No of Shares | Rs. In Lakhs | No of Shares | Rs. In Lakhs |
| Balance at the beginning of the reporting period | 1,89,28,671 | 1,892.87 | 85,12,004 | 851.20 |
| Changes during the year | 47,25,000 | 472.50 | 1,04,16,667 | 1,041.67 |
| Balance at the end of reporting period | 2,36,53,671 | 2,365.37 | 1,89,28,671 | 1,892.87 |

B Other Equity

(Amount Rs. In Lakhs)

| Particulars | Reserves and Surplus | | | |
|--|----------------------|--------------------|-------------------|-----------------|
| | Statutory Reserve | Securities Premium | Retained Earnings | Total |
| Balance as on March 31, 2022 | 3.25 | 25.00 | (233.14) | (204.88) |
| Net Profit for the year | - | - | 53.42 | 53.42 |
| Money received against fresh issue of shares | - | 208.33 | - | 208.33 |
| Share Issue Expenses | - | (2.11) | - | (2.11) |
| Transferred from Retained earnings to Statutory Reserves | 10.69 | - | (10.69) | - |
| Remeasurement of the net defined benefit liability/asset(net of tax) | - | - | 1.21 | 1.21 |
| Balance as on March 31, 2023 | 13.94 | 231.22 | (189.18) | 55.98 |
| 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 |

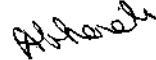
AS per our report of evenedate,
For Manubhal & Shah LLP
Chartered Accountants
ICAI Firm Reg No. 106041W/W100136



J.D. Shah
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2024



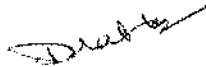
For and on behalf of the Board of Directors of Prayas Financial Services Private Limited



Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 09680649)
Place: Gurugram
Date: April 30, 2024



Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Place: Gurugram
Date: April 30, 2024



Divya Rath
Company Secretary
Place: Ahmedabad
Date: April 30, 2024

Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended March 31, 2024

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 Regulation dated 22nd October, 2021. Accordingly, the Company has taken steps, wherever applicable, to ensure compliance with the said regulation.

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 Company of Ananya Finance for Inclusive Growth Private Limited (AFIGPL) since AFIGPL has legal and beneficial ownership of 1,52,25,000 equity shares representing 64.36% of holding in the Company.

The Financial statements are approved for issue by the Company's Board of Directors on April 30, 2024.

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.

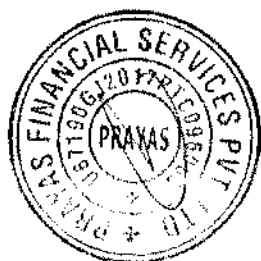
The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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.

2.5 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.

2.6 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:

2.6.1 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.

2.6.2 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.



2.6.3 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.

2.6.4 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.

2.6.5 Employee benefits:

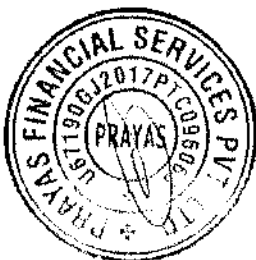
The cost of the defined benefit and long term employee benefit plans and the present value of the related obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination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

2.6.6 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 is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

2.6.7 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.



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.

3.2 Property, plant and equipment

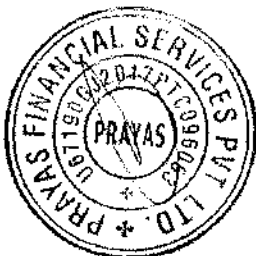
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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.



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended March 31, 2024

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 life 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 Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended March 31, 2024

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.

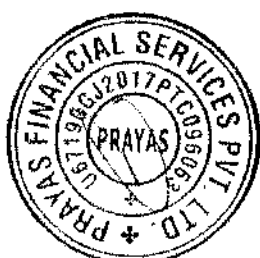
c Instruments entirely equity in nature

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.



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).

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

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.



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended March 31, 2024

3.6 Impairment

3.6.1 Financial assets

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

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

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

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



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended March 31, 2024

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

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

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

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

Presentation of ECL allowance for financial asset:

Expected Credit Loss on Financial assets measured at amortized cost are shown as a deduction from the gross carrying amount of the assets.

Write off

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

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.

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

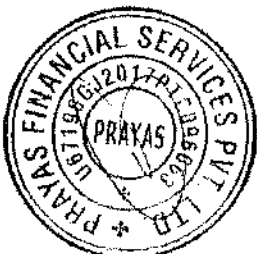
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an 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 by 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

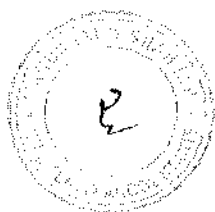
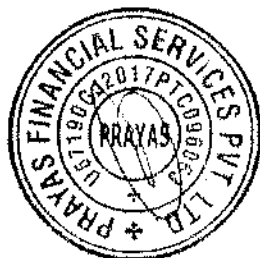
The Company identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] i.e. Board of Directors, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information 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.

3.17 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 Statement of Profit and Loss.

3.18 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.



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

| | | (Amount Rs. in Lakhs) | |
|----------|---|-----------------------|-----------------|
| | | As At | |
| Note no. | Particulars | March 31, 2024 | March 31, 2023 |
| 4 | Cash and Cash Equivalents | | |
| 4.1 | Cash on hand | 2.89 | 0.03 |
| 4.2 | Balances with Banks; | | |
| | In current accounts | 164.45 | 1,219.91 |
| | In bank deposits (with original maturity of three months or less) | | |
| | | 164.45 | 1,219.91 |
| | Total | 167.34 | 1,219.94 |
| 5 | Bank Balance other than (a) above | | |
| | Bank deposit* | 77.79 | 73.59 |
| | (with original maturity of more than three months) | | |
| | Total | 77.79 | 73.59 |
| | [Note:*Represents deposits Rs.77.79 lakhs (As at 31st March 2023 :Rs. 73.59 lakhs) held as margin money against loans availed by the Company as at 31st March 2024.] | | |
| 6 | Loans | | |
| | A) Loans (at amortised cost): | | |
| | i) Term loans | 4,474.46 | 1,895.85 |
| | ii) Others - Loan to Employees | 1.59 | 3.17 |
| | Total (Gross) - A | 4,476.05 | 1,899.02 |
| | Less : Impairment loss allowance | 64.73 | 148.42 |
| | Total (Net) - A | 4,411.32 | 1,750.60 |
| | B) i) Secured | 4,476.05 | 1,899.02 |
| | ii) Unsecured | | |
| | Total (Gross) - B | 4,476.05 | 1,899.02 |
| | Less : Impairment loss allowance | 64.73 | 148.42 |
| | Total (Net) - B | 4,411.32 | 1,750.60 |
| | C) i) Loans in India | | |
| | a) Public Sector | | |
| | b) Others | 4,476.05 | 1,899.02 |
| | Total (Gross) - C | 4,476.05 | 1,899.02 |
| | Less : Impairment loss allowance | 64.73 | 148.42 |
| | Total (Net) - C (I) | 4,411.32 | 1,750.60 |
| | ii) Loans outside India | | |
| | Less : Impairment loss allowance | | |
| | Total (Net) - C (II) | 4,411.32 | 1,750.60 |
| | Total (Net) - C (I+II) | 4,411.32 | 1,750.60 |



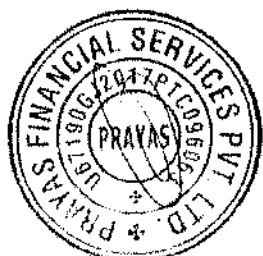
Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

(Amount Rs. In Lakhs)

| | | |
|--|---------------|---------------|
| 7 Other Financial Assets | | |
| Unsecured and Considered Good | | |
| Rental Deposits | 10.81 | 3.32 |
| Receivable from BC Partner | 85.23 | 86.58 |
| Interest Spread on Assignment | 6.09 | 48.94 |
| Other Receivable | 306.95 | 153.62 |
| Total (A) | 409.08 | 292.46 |
| Unsecured and Considered doubtful | | |
| Security Deposit with BC Partner* | 13.38 | 29.54 |
| Receivable from BC Partner | 19.49 | 90.52 |
| Less: Provision for Doubtful Receivable | (12.87) | (120.06) |
| Total (B) | | |
| Total (A+B) | 409.08 | 292.46 |

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

| Note no. | Particulars | As At | | | |
|--|--|---------------------------------|---|--|-----------------------------------|
| | | March 31, 2024 | March 31, 2023 | | |
| 8 Other Non Financial Assets | | | | | |
| Prepaid Expenses | | 4.90 | 1.48 | | |
| Staff Advances | | 6.36 | 1.56 | | |
| Total | | 11.26 | 3.04 | | |
| 9 Tax Balances and Expenses | | | | | |
| 9.1 The details of income tax assets and liabilities and Deferred tax liabilities/asset : | | | | | |
| Advance Income Tax | | 80.38 | 36.74 | | |
| Income Tax Provisions | | (17.91) | - | | |
| Tax Recoverable (Net) | | 62.47 | 36.74 | | |
| Deferred Tax Asset | | 62.06 | 67.57 | | |
| Deferred Tax Liabilities | | (2.71) | (0.39) | | |
| Deferred Tax Assets (Net) | | 59.34 | 67.18 | | |
| 9.2 | Particulars | As at 1st April 2023 | (Charge) / credit to profit and loss | (Charge)/ credit to OCI | As at 31st March, 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 |
| | Tax effect of items constituting deferred tax liabilities | | | | |
| | Depreciation & Amortization on property, plant and equipment / Intangible assets | (0.39) | (2.37) | - | (2.71) |
| | | 67.18 | (8.86) | 1.02 | 59.34 |
| | Net Deferred Tax Assets | 67.18 | (8.86) | 1.02 | 59.34 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

(Amount Rs. In Lakhs)

| Particulars | As at 31st March 2022 | (Charge) / credit to profit and loss | (Charge)/ credit to OCI | As at 31st March, 2023 |
|--|-----------------------------|---|-------------------------------|---------------------------|
| Deferred Tax Assets / (Liabilities) | | | | |
| Tax effect of items constituting deferred tax assets | | | | |
| Application of EIR on financial assets | 1.46 | (1.46) | | |
| Allowance for ECL | | 67.57 | | 67.57 |
| Preliminary Expense | (0.81) | 0.81 | | |
| Provision on Expense | 31.57 | (31.57) | | |
| Tax effect of items constituting deferred tax liabilities | | | | |
| Depreciation & Amortization on property, plant and equipment / Intangible assets | (2.59) | 2.20 | | (0.39) |
| | 29.63 | 37.55 | | 67.18 |
| Net Deferred Tax Assets | 29.63 | 37.56 | | 67.18 |

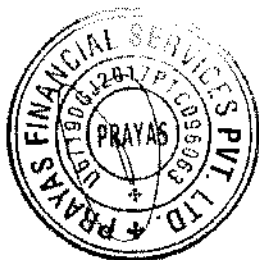
9.3 Significant component of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as under:

| | | |
|---|--------------|----------------|
| Current tax | 17.91 | |
| Deferred tax due to origination of temporary difference | 8.86 | (37.56) |
| Adjustments of earlier year tax | | 7.01 |
| Total | 26.77 | (30.55) |

| Note no. Particulars | For the year ended | |
|----------------------|--------------------|----------------|
| | March 31, 2024 | March 31, 2023 |

9.4 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the Income before income taxes is summarized below:

| | | |
|---|--------------|----------------|
| Accounting Profit Before tax | 122.97 | 22.87 |
| Normal Rate of Tax | 25.17% | 25.17% |
| Tax liability on accounting profit | 30.95 | 5.76 |
| Tax Effect of Non deductible Expenses | 0.79 | 5.41 |
| Tax Effect of Deductible Expenses | (10.39) | (18.86) |
| Carried forward / Brought forward losses | (3.44) | 7.69 |
| Deferred tax on temporary differences | 8.86 | (37.56) |
| Adjustment of earlier year tax | - | 7.01 |
| Total income tax expense | 26.77 | (30.55) |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

10 Property Plant and Equipments

| Particulars | Gross block | | Depreciation | | Net block | |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2023 | As at March 31, 2024 | As at April 01, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 |
| Furniture and fixtures | 7.84 | 28.15 | 0.80 | 2.29 | 25.86 | 7.04 |
| Office equipment | 9.88 | 16.02 | 2.06 | 4.63 | 11.38 | 7.83 |
| Computer | 40.77 | 103.49 | 11.49 | 33.82 | 69.66 | 29.27 |
| Vehicles | 9.32 | 64.21 | 3.27 | 8.94 | 55.27 | 6.05 |
| Total | 67.81 | 211.87 | 17.62 | 49.69 | 162.18 | 50.19 |

| Particulars | Gross block | | Depreciation | | Net block | |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2022 | As at March 31, 2023 | As at April 01, 2022 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 |
| Furniture and fixtures | 5.72 | 7.84 | 0.74 | 0.80 | 7.04 | 5.58 |
| Office equipment | 5.46 | 9.88 | 0.77 | 2.06 | 7.83 | 4.69 |
| Computer | 20.33 | 40.77 | 2.53 | 11.49 | 29.27 | 17.40 |
| Vehicles | 9.32 | 9.32 | 2.16 | 3.27 | 6.05 | 7.16 |
| Total | 40.83 | 67.81 | 6.00 | 17.62 | 50.19 | 34.82 |

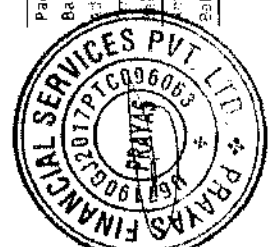
11 Other Intangible Assets

| Particulars | Gross block | | Depreciation | | Net block | |
|--------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | As at 1st April, 2023 | As at March 31, 2024 | As at 1st April, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 |
| Software | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

12 Right of Use of Asset

| Particulars | Gross block | | Depreciation | | Net block | |
|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2022 | As at March 31, 2023 | As at April 01, 2022 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 |
| Buildings | 14.87 | 14.87 | 2.89 | 5.71 | 11.98 | 11.98 |
| Total | 14.87 | 14.87 | 2.89 | 5.71 | - | 11.98 |

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



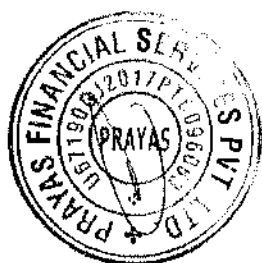
Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

| Note no. | Particulars | (Amount Rs. In Lakhs) | |
|-----------|---|-----------------------|----------------|
| | | As At | |
| | | March 31, 2024 | March 31, 2023 |
| 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 | 87.71 | 22.05 |
| | Total | 87.71 | 22.05 |

13.1 Trade Payable Aging Schedule

| 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 years | | |
| MSME | | | | | | |
| Others | 87.71 | | | | | 87.71 |
| Disputed Dues- MSME | | | | | | |
| Disputed Dues- Others | | | | | | |
| | Total | 87.71 | | | | 87.71 |
| Unbilled | | | | | | |
| Not Due | | | | | | |
| | Grand Total | 87.71 | | | | 87.71 |

| As at March 31, 2023 | | | | | | (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 | 22.05 | | | | | 22.05 |
| Disputed Dues- MSME | | | | | | |
| Disputed Dues- Others | | | | | | |
| | Total | 22.05 | | | | 22.05 |
| Unbilled | | | | | | |
| Not Due | | | | | | |
| | Grand Total | 22.05 | | | | 22.05 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

| Note no. | Particulars | (Amount Rs. in Lakhs) | |
|-------------|---|-----------------------|----------------|
| | | As At | |
| | | March 31, 2024 | March 31, 2023 |
| 13.2 | 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 | 193.82 | 202.03 |
| | Total | 193.82 | 202.03 |
| 15 | Other Financial Liabilities | | |
| | Employee dues Payable | 72.11 | 60.64 |
| | Interest accrued but not due on borrowings | 7.11 | 15.52 |
| | Other Liabilities | 24.59 | 61.13 |
| | Total | 103.82 | 137.30 |
| 16 | Provisions | | |
| | Provision for employee benefits | | |
| | Compensated absences | 34.19 | 7.12 |
| | Provision for Gratuity | 30.26 | 13.87 |
| | Total | 64.46 | 20.99 |
| 17 | Other Non-financial liabilities | | |
| | Statutory Remittances | 67.06 | 23.50 |
| | Other Liability | | |
| | Total | 67.06 | 23.50 |
| 18 | Debt Securities | | |
| | Non-Convertible Debentures (At Amortised Cost) | | 667.00 |
| | Total (a) | | 667.00 |
| | Debt Securities in India | | 667.00 |
| | Debt Securities outside India | | - |
| | Total (b) | | 667.00 |



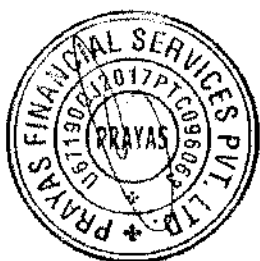
Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

| Note no. | Particulars | (Amount Rs. in Lakhs) | |
|-------------------------------|---|-------------------------|--|
| | | March 31, 2024 | March 31, 2023 |
| Details of Securities: | | | |
| | Particulars | Rate of Interest | Term of repayment of loan |
| | IDBI Trusteeship Services Ltd. Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value. | 12% | Principal Repayable after 13 months (Repaid during financial year 2023-24) |
| 19 | Borrowings (Other than Debt Securities) | | |
| | (a) Term loans (Secured) | | |
| | (i) from banks (At Amortized Cost) | | |
| | (ii) from other parties (At Amortized Cost) | | 2,419.60 |
| | Total | | 2,419.60 |
| | Less: Unamortised transaction costs_Borrowings | | (4.42) |
| | Total | | 2,415.19 |
| | Total (A) | | 2,415.19 |
| | Borrowings in India | | 2,415.19 |
| | Borrowings outside India | | 675.80 |
| | Total (B) | | 2,415.19 |

| Terms and Conditions of Borrowings | (Amount Rs. in Lakhs) | | | | |
|---|-----------------------|----------------|----------------|-------------------------|------------------|
| | Name of the lender | March 31, 2024 | March 31, 2023 | Residual Maturity | Rate of Interest |
| Secured loan from others (Refer Note 19.1) | | | | | |
| Incred Financial Services Limited TL | 71.71 | 200.00 | 18 months | 14.75% | |
| Vivitri Capital | 208.33 | 458.33 | 24 months | VCPL Int + Spread 6.55% | |
| Arohan Finance | - | 10.33 | 24 months | 14.00% | |
| Ananya Finance for Inclusive Growth | 1,702.08 | - | 24 months | 18.50% | |
| Maanaveeya Development | 437.48 | - | 24 months | 14.50% | |
| Usha Finance | - | 10.77 | 24 months | 16.50% | |
| Total (A) | 2,419.60 | 679.44 | | | |
| Unamortised Transaction Costs (B) | (4.42) | (3.64) | | | |
| Total (A + B) | 2,415.19 | 675.80 | | | |

Notes:

- Note 19.1 The Company has not taken any borrowing from Banks.
- Note 19.2 The Company has not defaulted in repayment of Principal as well as Interest in terms of borrowings outstanding as at Balance sheet Date.
- Note 19.3 Borrowings have been measured at Amortised Cost. There are no borrowings measured at FVTPL or designated as FVTPL as at Balance sheet Date.



Prayas Financial Services Private Limited

CIN : U67190GJ2017PTC096063

Notes forming part of the Financial Statements for the year ended 31st March 2024

20 Equity share capital

| Particulars | (Amount Rs. In Lakhs) | |
|---|-----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Authorised: | | |
| 3,00,00,000 (As at March 31, 2023: 2,00,00,000) Equity Shares of Rs. 10 each, Fully Paid up. | 3,000.00 | 2,000.00 |
| Total | 3,000.00 | 2,000.00 |
| Issued, subscribed and paid-up: | | |
| 2,36,53,671 (As at March 31, 2023: 1,89,28,671) Equity Shares of Rs. 10 each, fully Paid-up | 2,365.37 | 1,892.87 |
| Total | 2,365.37 | 1,892.87 |

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

| Particulars | (Amount Rs. In Lakhs) | |
|-------------------------------------|-----------------------|-----------------|
| | Number of Shares | Amount (Rs.) |
| As at April 01, 2022 | 85,12,004 | 851.20 |
| Addition during the year | 1,04,16,667 | 1,041.67 |
| Movement during the year | | |
| Balance as at March 31, 2023 | 1,89,28,671 | 1,892.87 |
| Addition during the year | 47,25,000 | 472.50 |
| Movement during the year | | |
| Balance as at March 31, 2024 | 2,36,53,671 | 2,365.37 |

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 per 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 | Prayas Organisation (AOP) |
|-----------------------------|---|---------------------------|
| As at March 31, 2023 | | |
| Number of Shares | 1,05,00,000 | 70,03,090 |
| % of holding | 55.47% | 37.00% |
| As at March 31, 2024 | | |
| Number of Shares | 1,52,25,000 | 70,03,090 |
| % of holding | 64.37% | 29.61% |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063

Notes forming part of the Financial Statements for the year ended 31st March 2024

20.4 Shares held by promoters:

| Promoter's Name | No. of Shares | % of total shares | % change during the year |
|---|---------------|-------------------|--------------------------|
| As at March 31, 2023 | | | |
| Bhadresh Raval | 9,25,581 | 4.89% | (18.21%) |
| Prayas Organisation (AOP) | 70,03,090 | 37.00% | (55.03%) |
| Ananya Finance for Inclusive growth Private Limited | 1,05,00,000 | 55.47% | 845.00% |
| 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% |

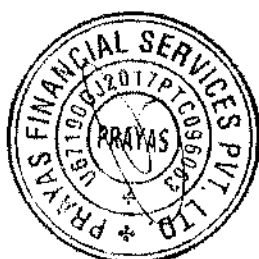
During this year, the Company has allotted 47,25,000 equity shares to Ananya Finance for Inclusive Growth Private Limited (AFIGPL) and thereby AFIGPL now holds legal and beneficial ownership of 64.37% of the total paid up equity share capital of the Company.

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

| Particulars | (Amount Rs. In Lakhs) | |
|---|-----------------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| 21 Other Equity | | |
| Statutory Reserve | | |
| Opening Balance | 13.94 | 3.25 |
| Transfer from Retained Earning during the year | 19.24 | 10.69 |
| Closing Balance | 33.18 | 13.94 |
| Securities Premium | | |
| Opening Balance | 231.22 | 25.00 |
| Money received against Equity issue of share | 94.50 | 208.33 |
| Share Issue Expenses | | (2.11) |
| Closing Balance | 325.72 | 231.22 |
| Retained Earnings | | |
| Opening Balance | (189.18) | (233.13) |
| Net Profit for the year | 96.20 | 53.42 |
| Transferred to Statutory Reserve | (19.24) | (10.69) |
| Remeasurement of the net defined benefit liability/asset(net) | (3.04) | 1.21 |
| Closing Balance | (115.27) | (189.18) |
| Total | 243.63 | 55.98 |

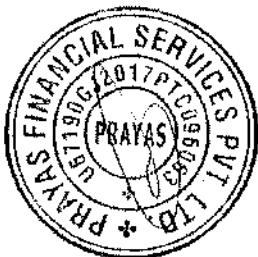
Description of the nature and purpose of Other Equity :

- 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 Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

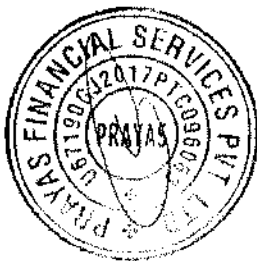
| Note no. Particulars | (Amount Rs. In Lakhs) | |
|---|-----------------------|----------------|
| | For the Year Ended | |
| | March 31, 2024 | March 31, 2023 |
| 22 Interest Income | | |
| On Financial Assets measured at Amortized Cost | | |
| Interest on Loans | 853.66 | 367.46 |
| Interest on Deposit | 7.05 | 62.49 |
| Interest on Unwinding of Security Deposit | 0.40 | 0.12 |
| Total | 861.10 | 430.07 |
| 23 Net Gain / (Loss) on derecognition of financial instruments under amortised cost category | | |
| Income from assignment of Loans | | 48.93 |
| Bad debts Written off | (152.98) | |
| Security deposite written off | (187.17) | |
| Total | (340.15) | 48.93 |
| 24 Fees & Commission Income | | |
| Commission Income | 1,356.37 | 623.18 |
| Service Fees | 555.12 | 100.34 |
| Total | 1,911.49 | 723.52 |
| 25 Other Income | | |
| Miscellaneous Income | 1.78 | 1.25 |
| Interest on Staff Loan | 0.14 | 0.41 |
| Foreign Exchange Gain | 0.61 | |
| Total | 2.52 | 1.67 |
| 26 Finance Costs | | |
| On Financial Liabilities measured at Amortised Cost | | |
| Interest on borrowings other than debt securities | 117.28 | 190.62 |
| Interest on debt securities | 76.75 | 9.87 |
| Interest expense on Lease Liabilities | 27.36 | 9.36 |
| Other borrowing cost | 2.95 | 6.62 |
| Total | 224.33 | 216.47 |
| Note:- There is no financial liability measured at FVTPL. | | |
| 27 Fees and Commission Expense | | |
| Commission Expense | 4.60 | 1.44 |
| Total | 4.60 | 1.44 |
| 28 Impairment on financial instruments/(Reversal of Impairment) | | |
| Loans (At Amortized Cost) | (170.89) | (44.26) |
| Total | (170.89) | (44.26) |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

(Amount Rs. In Lakhs)

| Note no. | Particulars | For the Year Ended | |
|-------------|---|--------------------|----------------|
| | | March 31, 2024 | March 31, 2023 |
| 29 | Employee Benefits Expenses | | |
| | Salaries and wages | 1,283.79 | 534.25 |
| | Contribution to provident and other funds | 97.47 | 26.66 |
| | Gratuity Expense | 12.33 | 8.04 |
| | Compensated Absences | 27.55 | 7.12 |
| | Staff welfare expenses | 6.68 | 3.46 |
| | Total | 1,427.82 | 579.53 |
| 30 | Other expenses | | |
| | Rent, taxes and energy costs | 113.54 | 57.01 |
| | Repairs and maintenance | 11.43 | 5.10 |
| | Communication Costs | 19.19 | 10.61 |
| | Printing and stationery | 11.18 | 6.57 |
| | Director's fees, allowances and expenses | 1.43 | 1.36 |
| | Auditor's Remuneration | 9.30 | 8.79 |
| | Legal and Professional charges | 149.01 | 171.46 |
| | Insurance | 2.66 | 1.14 |
| | Software Expense | 96.05 | 24.25 |
| | Office Expenses | 88.64 | 38.33 |
| | Travelling Expenses | 213.60 | 57.03 |
| | Loss on discard of Intangible Asset | - | 9.16 |
| | Donation Expense | 0.55 | 1.00 |
| | Miscellaneous Expense | 53.98 | 14.05 |
| | Total | 770.56 | 405.86 |
| 30.1 | Payment to auditors :- | | |
| | - for statutory audit | 5.50 | 5.45 |
| | - for Limited Review, Certificates and other services | 3.80 | 3.34 |
| | Total | 9.30 | 8.79 |



Prayas Financial Services Private Limited
CIN : U67190GI2017P1C096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

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

| Particulars | (Amount Rs. in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Net profit/(loss) for the year for basic EPS | 96.20 | 53.42 |
| Net profit/(loss) for the year for diluted EPS | 96.20 | 53.42 |
| Weighted average no. of shares (In nos.) for basic EPS | 216.40 | 167.03 |
| Weighted average no. of shares for diluted EPS | 216.40 | 167.03 |
| Face value of equity shares | 10.00 | 10.00 |
| Earning Per Share (Basic) | 0.44 | 0.32 |
| Earning Per Share (Diluted) | 0.44 | 0.32 |

32 Contingent liability

| Particulars | (Amount Rs. in Lakhs) | |
|--|-----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Guarantee against the company not acknowledged 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 one lease with a tenure of 9 years and a lock in of 3 years. Maturity Analysis of such lease is as stated below.

Maturity Analysis of Lease Liabilities

| Particulars | (Amount Rs. in Lakhs) | |
|---------------------------|-------------------------|----------------|
| | As at March 31, 2024 | March 31, 2023 |
| Upto 3 months | 8.89 | 6.99 |
| Over 3 months upto 1 year | 26.68 | 26.68 |
| Over 1 year upto 3 years | 78.25 | 72.91 |
| Over 3 years upto 5 years | 83.85 | 81.81 |
| Over 5 years | 125.44 | 168.38 |
| Total | 323.11 | 358.67 |

| Lease liability movement | | (Amount Rs. in Lakhs) |
|------------------------------|--|-----------------------|
| Particulars | | Lease Liability |
| As at 31st March, 2022 | | 202.03 |
| Addition during the year | | 9.36 |
| Interest on Lease Liability | | 31.86 |
| Lease rent paid for the year | | 202.03 |
| As at 31st March, 2023 | | - |
| Addition during the year | | 27.36 |
| Interest on Lease Liability | | 35.57 |
| Lease rent paid for the year | | 193.82 |
| As at 31st March, 2024 | | - |

Amount Recognised in Statement of Profit & Loss

| Particulars | (Amount Rs. in Lakhs) | |
|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Interest on Lease Liabilities | 27.36 | 9.36 |
| Amortisation of ROU Assets | 23.51 | 7.84 |
| Expense related to Short term Leases | 101.86 | 52.53 |

Amount Recognised in Statement of Cash Flows

| Particulars | (Amount Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Under Financing activities (Repayment of lease liability) | 35.57 | 12.60 |
| Under Operating activities (Short term leases) | 101.86 | 52.53 |
| Total cash outflow for leases | 137.43 | 65.13 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

35 Related party disclosures

35.1 Related party

(a) Ultimate Holding Company

Gojo & Co. Ultimate Holding Company (from 16th June 2022)

(b) Holding Company

Ananya Finance Inclusive growth Private Limited Holding Company (from 16th June 2022)

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

| | | |
|---|-------------------------------------|---|
| 1 | Bhadreshkumar Keshavil Rawal | Managing Director (till 16th June 2022) and Director (from 17th June 2022) |
| 2 | Dineshnarain Haridayanarain Awasthi | Director |
| 3 | Abhisek Khanna | Managing Director and Chief Executive Director of the Company (from 16th May, 2023) |
| 4 | Chirag Patel | Chief Finance officer (till 16th June 2022) |
| 5 | Pranav Desai | Chief Finance officer (from 14th August 2023) |
| 6 | Charmi Shah | Company Secretary (till 9th Nov, 2022) |
| 7 | Jyoti Singh Chauhan | Company Secretary (from 10th Nov, 2022 till 17th June 2023) |
| 8 | Ms. Ritika Agarwal | Company Secretary (from 14th August, 2023 till 4th Nov, 2023) |
| 9 | Ms. Divya Rathi | Company Secretary (from 4th Nov, 2023) |

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

| | | |
|---|----------------|--|
| 1 | Gaurav Gupta | Managing Director of Holding Company |
| 2 | Pranav Desai | Chief Financial Officer of Holding Company |
| 3 | Abhisek Khanna | Executive Director (From May 16, 2023) of Holding Company |
| 4 | Lavina Parikh | Company Secretary (till February 14, 2023) of Holding Company |
| 5 | Divya Rathi | Company Secretary (From February 15, 2023) of Holding Company |

(e) Relative of KMP of Company

| | | |
|---|-----------------|----------------------|
| 1 | Sunitaben Rawal | Relative of Director |
| 2 | Yug Rawal | Relative of Director |
| 3 | Charmi Rawal | Relative of Director |

(f) Enterprises over which KMP have significant Influence

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

35.2 Particulars of related party transactions

| Name of the related party And nature of transaction | (Amount Rs. in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Bhadresh Rawal | | |
| Director Remuneration | - | 4.62 |
| Issue of Equity Share | - | 50.00 |
| Professional Fees | 24.00 | 20.37 |
| 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) | | |
| Commission Income | - | 2.02 |
| Loan Taken | - | 31.00 |
| Loan Repaid | - | 103.67 |
| Interest Expense on loan | - | 1.06 |
| Interest Income on Security Deposits | - | 1.81 |
| Security Deposits Received back | - | 105.45 |
| PASIO Program Expense | 28.66 | - |
| Rent Expense | 12.21 | 12.54 |
| | | (Amount Rs. in Lakhs) |
| Name of the related party And nature of transaction | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Prayas Organization (AOP) | | |
| Loan Taken | - | 701.09 |
| Loan Repaid | - | 1,673.42 |
| Interest Expense on loan | - | 138.80 |
| Prayas Organization For Sustainable Development - Section B | | |
| Rent Expense | 1.80 | 1.80 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March 2024

| Name of the related party And nature of transaction | (Amount Rs. In Lakhs.) | |
|--|--------------------------------------|--------------------------------------|
| | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Ananya Finance For Inclusive Growth Private limited | | |
| Commission Income | 885.40 | 436.88 |
| Issue of Equity Share | 567.00 | 1,200.00 |
| Security Deposits Placed | 100.70 | 245.00 |
| Security Deposits Received back | - | 584.41 |
| Security Deposits Adjusted | 120.71 | 102.39 |
| Interest Income on Security Deposits | 1.65 | 24.81 |
| Guarantee Fee Expense | 4.60 | 1.43 |
| Payment of Professional Fees | - | 72.80 |
| Loan Taken | 2,000.00 | - |
| Loan Repayment | 297.92 | - |
| Interest Expense on Loan | 21.53 | - |
| Processing fees on Loan | 2.50 | - |
| Guarantee Received | - | 700.00 |
| Chirag Patel | | |
| Remuneration | - | 3.04 |
| Charmi Shah | | |
| Remuneration | - | 1.57 |
| Jyoti Singh Chauhan | | |
| Remuneration | 1.64 | 3.70 |
| Leave Encashment | 0.11 | - |
| 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 | | |
| Services fees | 90.88 | - |

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.

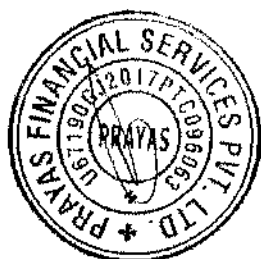
35.3 Balances Outstanding at the end of the year:

| | (Amount Rs. In Lakhs.) | |
|---|------------------------|----------------|
| | Closing balance as on | |
| Interest Expense on loan | March 31, 2024 | March 31, 2023 |
| Prayas Organisation for Sustainable Development | | |
| Rent Payable | 1.67 | - |
| PASID Program Expense Payable | 24.11 | - |
| Prayas Organisation For Sustainable Development - Section E | - | 0.08 |
| Amount receivable in course of Intermediary Services | - | 0.08 |
| Gojo & Co | | |
| Services fees Receivable | 86.80 | - |
| Ananya Finance For Inclusive Growth Private Limited | | |
| Commission Income Receivable | 7.40 | 91.64 |
| Balance of Security Deposit | 10.92 | 30.94 |
| Interest Accrued on Security Deposit | - | 1.32 |
| Guarantee Expense Payable | 0.99 | 1.48 |
| Loan Processing fees, Insurance & Other Receivable | 38.37 | 72.16 |
| Salary Payable | - | 7.21 |
| Balance of Guarantee received | 280.04 | 700.00 |
| Loan Outstanding | 1,702.08 | - |
| Interest Payable on Loan | 1.42 | - |
| Amount Payable for BC Operation | 10.88 | 4.55 |

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 | (Amount Rs. In Lakhs.) | |
|----------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| | | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Name of the KMP : | | | |
| Bhadresh Rawal | Gross Salary including perquisites | - | 4.62 |
| | Payment of Professional fees | 24.00 | 20.37 |
| | Issue of Equity Share | - | 50.00 |
| | Gross Salary including perquisites | - | 2.04 |
| Chirag Patel | Gross Salary including perquisites | - | 2.50 |
| Charmi Shah | Gross Salary including perquisites | - | 1.57 |
| Jyoti Singh Chauhan | Gross Salary including perquisites | 1.79 | - |
| Ms. Ritika Agarwal | Gross Salary including perquisites | 2.25 | - |



- 36 Fair Value Measurements:
- a) Measurement of fair values:
- (i) Levels 1, 2 and 3
Level 1 : Financial Instrument which are actively traded in the market are included in Level 1.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.
- (ii) There have been no transfers between Level 1 and Level 2 during the years.
- b) Accounting classification and fair values
The following table analyses financial instruments measured at fair value at the reporting date along with Accounting classification of the same, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

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

Loans

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

Borrowings (Other than Debt Securities)

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

Short-term financial assets and liabilities

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



Notes forming part of the Financial Statements for the year ended 31st March, 2024

| 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 | 5,065.54 | - | - | 5,065.54 | - | - | 4,414.51 | 4,414.51 |

(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 | - | - | - | - |
| Debt Securities* | - | - | - | - | - | - | - | - |
| 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 | - | - | 2,420.16 | 2,420.16 |

(Amount Rs. In Lakhs)

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

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

(Amount Rs. In Lakhs)

| Particulars | Carrying Value | | | Fair Value | | | | |
|---|-----------------|-------|--------|-----------------|---------|---------|-----------------|-----------------|
| | Amortized Cost | FVTPL | FVTOCI | Total | Level 1 | Level 2 | Level 3 | Total |
| Trade Payables* | 22.05 | - | - | 22.05 | - | - | - | - |
| Lease Obligation* | 202.03 | - | - | 202.03 | - | - | - | - |
| Debt Securities* | 667.00 | - | - | 667.00 | - | - | 667.73 | 667.73 |
| Borrowings (Other than Debt Securities) | 675.80 | - | - | 675.80 | - | - | 679.16 | 679.16 |
| Other financial liabilities* | 137.30 | - | - | 137.30 | - | - | - | - |
| Total Financial Liabilities | 1,704.18 | - | - | 1,704.18 | - | - | 1,346.89 | 1,346.89 |

(Amount Rs. In Lakhs)

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



37 Financial Risk Management:

37.1 Risk Management

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

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

(A) Credit risk

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

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

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

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

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

Credit quality analysis

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

| Particulars | (Amount Rs. In Lakhs) | | | | |
|-----------------------------------|--|--|--|--|------------------------------|
| | 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 (a) above | | | | 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. Difference between Loan as per Note 6 and Loan amount reported here is mainly on account of Effective Interest Rate adjustment.

| Particulars | (Amount Rs. In Lakhs) | | | | |
|-----------------------------------|--|--|--|--|------------------------------|
| | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit Impaired | Financial Assets where loss allowance measured using simplified approach/ cost | Total as on 31st March, 2023 |
| Cash and cash equivalents | | | | 1,219.94 | 1,219.94 |
| Bank Balance other than (a) above | | | | 73.59 | 73.59 |
| Loans* | 1,773.62 | 12.84 | 136.24 | 3.17 | 1,925.87 |
| Other Financial assets | | | | 292.46 | 292.46 |

*Loans comprises of outstanding principal, interest accrued but not due. Difference between Loan as per Note 6 and Loan amount reported here is mainly on account of Effective Interest Rate adjustment.



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 reconciliation 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 |
| Gross loan exposure at risk as at 31st March, 2023 | 1,770.80 | 6.20 | 145.71 | 3.17 | 1,925.88 |
| Expected Credit Loss | 8.15 | 2.34 | 137.94 | - | 148.42 |
| 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 |

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, 2022 | 1,089.47 | 6.00 | 16.14 | 6.90 | 1,118.50 |
| - New loans disbursed during the year | 1,680.41 | 3.69 | 105.90 | - | 1,790.00 |
| - Loans closed/written off during the year | (714.94) | (3.29) | (0.55) | (3.73) | (722.51) |
| - Movement in EAD without change in asset staging | (244.14) | - | (1.19) | - | (245.33) |
| - Movement in EAD due to change in asset staging | (40.00) | (0.19) | 25.41 | - | (14.78) |
| 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 in asset staging | (729.09) | - | - | - | (729.09) |
| - Movement in EAD due to change in asset staging | (26.92) | 5.36 | 8.02 | - | (13.54) |
| Gross carrying amount balance | 4,515.55 | 15.52 | 14.20 | 1.59 | 4,546.85 |



Reconciliation of ECL Balance

(Amount Rs. In Lakhs)

| Particulars | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Total |
|--|--|--|--|---------------|
| ECL Allowance as at 31st March, 2022 | 49.38 | 1.49 | 16.34 | 67.21 |
| - New loans disbursed during the year | 7.96 | 1.34 | 98.14 | 107.44 |
| - Loans closed/written off during the year | (25.39) | (0.73) | (0.56) | (26.68) |
| - Movement in position without change in asset staging | (7.29) | - | (1.40) | (8.68) |
| - Movement in position due to change in asset staging | (16.52) | 0.24 | 25.41 | 9.13 |
| ECL Allowance as at 31st March, 2023 | 8.15 | 2.34 | 137.94 | 148.42 |
| - 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 |

(D) Write off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is Rs. 152.97 lakhs (P.Y. Rs. Nil).

(E) Credit risk grading of loans

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

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

| Credit grading details | (Amount Rs. In Lakhs) | | | | |
|------------------------|-----------------------|---------|---------|---------------|-----------|
| Period | Stage 1 | Stage 2 | Stage 3 | Employee Loan | Total EAD |
| March 31, 2024 | 4,515.55 | 15.52 | 14.20 | 1.59 | 4,546.85 |
| March 31, 2023 | 1,770.80 | 6.20 | 145.71 | 3.17 | 1,925.88 |

(F) Concentration of credit risk

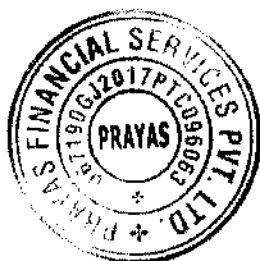
Since the company is into lending business of Microfinance Loans, there is no significant Concentration risk of any individual customer that may impact company adversely.

Transferred financial assets that are derecognised in their entirety

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

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Financial assets derecognised during the year | - | 613.78 |
| Gain from derecognition | - | 48.93 |



(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, 2024 and March 31, 2023.

(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

| Particulars | (Amount Rs. In Lakhs) | |
|--------------------------|-----------------------|----------------|
| | As at | |
| | March 31, 2024 | March 31, 2023 |
| Floating rate Borrowings | | |
| Financial Liabilities | 206.33 | 458.33 |

All loans disbursed by the Company are on fixed rate of Interest

Interest rate sensitivity

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

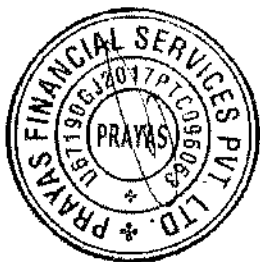
| Particulars | (Amount Rs. In Lakhs) | |
|-----------------------------|-------------------------------------|----------------|
| | Impact on Profit / (loss) after tax | |
| | March 31, 2024 | March 31, 2023 |
| Increase in 50 basis points | (0.78) | (1.71) |
| Decrease in 50 basis points | 0.78 | 1.71 |

(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 material foreign exchange risk.

(iii) Other Price Risk

The Entity is not exposed to price risks since there are no investments held for trading purposes.



(H) Liquidity risk

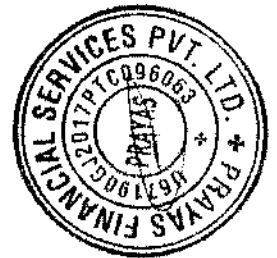
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its 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.

| Particulars | Carrying amount | (Amount Rs. in Lakhs) | | | | | | |
|---|-----------------|--------------------------------|----------------------------|---------------------------|-----------------------------|--------------------------|--------------------------|---------------------------|
| | | 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 |
| As at March 31, 2024 | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| Trade Payables | 87.71 | 87.71 | 0.75 | 2.32 | 4.88 | 31.18 | 47.80 | 105.40 |
| Lease Liability | 193.82 | 0.74 | | | | | | |
| Debt Securities | 2,415.19 | 126.15 | 126.44 | 380.35 | 645.87 | 1,010.07 | | |
| Borrowings (Other than Debt Securities) | 103.82 | 103.82 | | | | | | |
| Other financial liabilities | 2,800.54 | 318.42 | 127.06 | 382.67 | 650.75 | 1,041.25 | 47.80 | 105.40 |
| Total | | | | | | | | |
| As at March 31, 2023 | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| Trade Payables | 22.05 | 22.05 | 0.66 | 2.02 | 4.25 | 40.62 | 47.80 | 105.40 |
| Lease Liability | 202.03 | 0.64 | | | 667.00 | | | |
| Debt Securities | 675.80 | 38.60 | 35.35 | 93.12 | 190.37 | 279.43 | | |
| Borrowings (Other than Debt Securities) | 137.30 | 137.30 | | | | | | |
| Other financial liabilities | 1,704.18 | 198.59 | 36.01 | 95.13 | 861.62 | 320.05 | 47.80 | 105.40 |
| Total | | | | | | | | |

(ii) Financing Covenant

No breaches of financial covenant has made by company for the availed loan during the financial year 2023-24 and 2022-23.



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

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, 2024 and March 31, 2023

39 Break up of loan portfolio (Excluding Interest Accrual)

| | (Amount Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Loan Portfolio | | |
| Opening Loan outstanding | 1,893.51 | 1,110.33 |
| Loans disbursed during the Year | 4,755.70 | 2,638.65 |
| A | 6,649.21 | 3,748.98 |
| Write off | | |
| Loans writeoff during the Year | 152.98 | |
| Loans assigned during the Year | | 613.78 |
| Loans recovered during the year on owned portfolio | 2,022.91 | 1,241.70 |
| B | 2,175.89 | 1,855.48 |
| Loans outstanding at the end of the year (A-B) (*) | 4,473.32 | 1,893.51 |
| (*) Reconciliation of Loan Outstanding | | |
| Balance of Loans as per Note 6 | 4,476.05 | 1,899.02 |
| Loans to Employees | (1.59) | (3.17) |
| Unamortized Transaction Cost and Accrued Interest | (1.14) | (2.34) |
| Asset under Management | 4,473.32 | 1,893.51 |

Details of Assignment transactions undertaken by NBFCs:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| | 1 No. of accounts | |
| 2 Aggregate value (net of provisions) of accounts sold | | 613.78 |
| 3 Aggregate consideration | | 609.11 |
| 4 Additional consideration realized in respect of accounts transferred in earlier years | | |
| 5 Aggregate gain / loss over net book value | | 48.93 |

Purchase of Portfolio

Details of Assignment transactions undertaken by NBFCs:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| | 1 No. of Transactions | |
| 2 Aggregate value (net of provisions) of accounts Purchased | | |
| 3 Aggregate consideration | | |
| 4 Additional consideration realized in respect of accounts transferred in earlier years | | |
| 5 Aggregate gain / loss over net book value | | |



40 Retirement Benefits

a) Employee benefit plans

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

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

Asset volatility :

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

Change in bond yields :

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

Inflation risk :

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

Life expectancy :

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

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

i) Movement in present values of defined benefit obligation

| Particulars | (Amount Rs. in Lakhs) | |
|---|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Defined benefit obligation at the beginning of the year | 13.87 | 7.04 |
| Current service cost | 11.30 | 7.52 |
| Interest cost | 1.03 | 0.52 |
| Actuarial losses (gains) arising from experience adjustments | 1.10 | (1.21) |
| Actuarial losses (gains) arising from Demographic adjustments | (5.19) | - |
| Actuarial losses (gains) arising from Financial adjustments | 8.16 | - |
| Benefits paid | - | - |
| Defined benefit obligation at the end of the year | 30.26 | 13.87 |

ii) Amount recognised in Balance Sheet :

| Particulars | (Amount Rs. in Lakhs) | |
|----------------------------|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Defined benefit obligation | 30.26 | 13.87 |
| Fair value of plan assets | - | - |
| Deficit in the plan | 30.26 | 13.87 |

iii) Expense recognised in Statement of Profit and Loss

| Particulars | (Amount Rs. in Lakhs) | |
|--|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Current service cost | 11.30 | 7.52 |
| Interest on obligation | 1.03 | 0.52 |
| Expected return on plan assets | - | - |
| Total included in employee benefits expense | 12.33 | 8.04 |

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

| Particulars | (Amount Rs. in Lakhs) | |
|--|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Actuarial Changes Arising from Changes in Experience Assumptions | 1.10 | (1.21) |
| Actuarial losses (gains) arising from Demographic adjustments | (5.19) | - |
| Actuarial losses (gains) arising from Financial adjustments | 8.16 | - |
| Closing amount recognised in OCI | 4.07 | (1.21) |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

40 (Cont'd)

v) Principal actuarial assumptions

| Particulars | (Amount Rs. In Lakhs) | |
|--------------------------------|--|--|
| | As at March 31, 2024 | As at March 31, 2023 |
| Discount Rate | 7.19% | 7.40% |
| Expected return on plan assets | NA | NA |
| Future salary increase | 10.00% | 6.00% |
| Retirement Age | 60 Yrs | 60 Yrs |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) ultimate | Indian Assured Lives Mortality (2012-14) ultimate |
| Attrition rate | 15% | 5% to 1% |

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 salaries of 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

| Particulars | (Amount Rs. In Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Within the next 12 months (next annual reporting period) | 0.06 | 0.26 |
| Year 2 | 1.60 | 0.58 |
| Year 3 | 1.61 | 0.56 |
| Year 4 | 2.36 | 0.54 |
| Year 5 | 4.41 | 0.52 |
| more than 5 and upto 10 years | 18.23 | 2.18 |

viii) Quantitative sensitivity analysis for significant assumption is as below

| Particulars | (Amount Rs. In Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Increase/decrease on present value of defined benefits obligation | | |
| i) 1% increase in discount rate | (2.31) | 6.19 |
| ii) 1% decrease in discount rate | 2.63 | 8.28 |
| iii) 1% increase in salary escalation rate | 2.54 | 8.28 |
| iv) 1% decrease in salary escalation rate | (2.27) | 6.17 |
| v) 1% increase in withdrawal rate | (1.23) | 7.21 |
| vi) 1% decrease in withdrawal rate | 1.31 | 7.02 |

ix) Contribution for Next 12 Months

| Particulars | (Amount Rs. In Lakhs) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Contribution for Next 12 Months | 0.00 | 0.26 |

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.



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

40 (Cont'd)

| xI) Defined contribution plan | (Amount Rs. In Lakhs) | |
|---|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Amount recognised in Statement of Profit and Loss towards | | |
| i) Provident fund | 75.05 | 26.62 |
| ii) Employee state insurance | 22.01 | |
| iii) Labour Welfare Fund | 0.42 | 0.04 |
| Total | 97.47 | 26.66 |

| xii) Long Term Employment Benefit Plan | (Amount Rs. In Lakhs) | |
|---|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Amount recognised in Statement of Profit and Loss towards | | |
| i) Leave Encashment | 27.55 | 7.12 |
| Total | 27.55 | 7.12 |

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

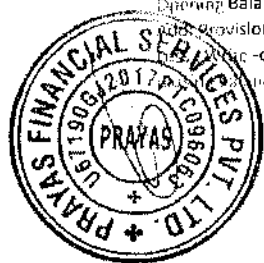
| (i) Capital Adequacy Ratio | (Amount Rs. In Lakhs) | |
|--|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Particulars | | |
| CRAR (%) | 49.62% | 82.04% |
| CRAR - Tier I Capital (%) | 48.69% | 81.91% |
| CRAR - Tier II Capital (%) | 0.93% | 0.13% |
| 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) | |
|--|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Particulars | | |
| (i) Highly Liquid Assets | | |
| (A) Cash and cash equivalents | 167.34 | 1,219.94 |
| (B) Marketable Securities | | |
| (ii) Net Cash outflows of next 30 days from year end | | |
| (A) Cash Outflows | 793.99 | 687.80 |
| (B) Cash inflows | 698.53 | 1,010.65 |
| (iii) Liquidity Coverage Ratio | 175.31% | 400.65% |

| (iii) Microfinance Loans to Total Assets | (Amount Rs. In Lakhs) | |
|---|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Particulars | | |
| (i) Total Microfinance Loans | 4,452.72 | 1,683.34 |
| (ii) Total Assets | 5,541.06 | 3,697.52 |
| (iii) Ratio of microfinance Loans to Total Assets | 80.36% | 45.53% |

(B) Disclosure of Investments

| Particulars | (Amount Rs. In Lakhs) | |
|---|-----------------------|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Value of Investments | | |
| Gross value of Investments | | |
| (a) In India | | |
| (b) Outside India | Not Applicable | |
| Provision for depreciation/diminution | | |
| (a) In India | | |
| (b) Outside India | Not Applicable | |
| Net value of investments | | |
| (a) In India | | |
| (b) Outside India | Not Applicable | |
| Movement of provisions held towards depreciation on Investments | | |
| Opening Balance | | |
| Provision made during the year | | |
| Provision off / write-back of excess provisions during the year | | |
| Closing Balance | | |
| | | Not Applicable |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

41 (Cont'd)

(C) Assignment of loans:

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

| Particulars | (Amount Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Total number of loans assigned during the year | | 2,346.00 |
| Total book value of loans assigned during the year | | 613.78 |
| Sale consideration received for loans assigned during the year | | 609.11 |
| Income recognised in the statement of profit and loss during the year | | 48.93 |
| Balance of loans assigned as at the balance sheet date | | 613.78 |
| Cash Collateral provided and outstanding as at the balance sheet date | | |

- (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 directly 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. 4,476.05 Lakhs. (Previous year Rs. 1,899.02 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 financial year 2023-24 and 2022-23

(I) Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2024 & March 31, 2023 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) Remuneration paid to Non Executive Directors:

| Name of the Director | (Amount Rs. in Lakhs) | |
|---------------------------------------|--|--|
| | For the period ended March 31, 2024 | For the period ended March 31, 2023 |
| Mr. Bhadresh Rawal - Consultancy fees | 24.00 | 20.37 |
| Mr. Surendra Srivastav - Sitting fees | 1.43 | 1.36 |
| Total | 25.43 | 21.73 |

(K) Details of Provisions and Contingencies

| Particulars | (Amount Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Provision towards non performing advances | 14.20 | 145.51 |
| Provision for Standard Assets | 50.53 | 2.91 |
| Total | 64.73 | 148.42 |

(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 Private Limited
CIN : U67190GJ2017PTCD96063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

41 (Cont'd)

(M) Details of sectorwise NPA:

| Sector | (Amount Rs. in Lakhs) | |
|-------------------|---|----------------|
| | Total Exposure (includes on balance sheet and off balance sheet exposure) | |
| | March 31, 2024 | March 31, 2023 |
| Microfinance Loan | 4,473.32 | 1,893.51 |
| Other loans* | | |

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

| Sector | (Amount Rs. in Lakhs) | |
|-------------------|-----------------------|----------------|
| | Gross NPAs | |
| | March 31, 2024 | March 31, 2023 |
| Microfinance Loan | 14.20 | 145.51 |
| Other loans* | | |

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

| Sector | % of NPAs to total advances in that sector | |
|-------------------|--|----------------|
| | As at | As at |
| | March 31, 2024 | March 31, 2023 |
| Microfinance Loan | 0.32% | 7.68% |
| 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 | As at |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| i. Number of complaints pending at the beginning of year | | |
| ii. Number of complaints received during the year | 30 | 247 |
| iii. Number of complaints redressed during the year | 30 | 167 |
| iv. Number of complaints pending at the end of the year | | 80 |

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

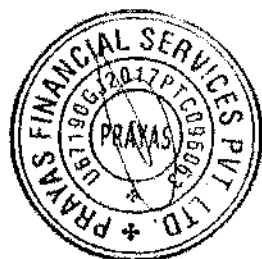
| Grounds of complain | No. of complaints pending at the beginning of the year | No. of complaints received during the year | No. of complaints disposed during the year | No. of complaints pending at the end of the year |
|------------------------------------|--|--|--|--|
| As at March 31, 2023 | | | | |
| Credit Bureau | | 1 | 1 | |
| Credit-Linked Insurance Settlement | 13.00 | 9 | 22 | |
| Interest rate Related | | | | |
| Staff Behaviour | 66.00 | 19 | 85 | |
| Other | 1.00 | 1 | 2 | |
| As at March 31, 2022 | | | | |
| Credit Bureau | | 21 | 21 | |
| Credit-Linked Insurance Settlement | | 53 | 40 | 13 |
| Interest rate Related | | 24 | 24 | |
| Staff Behaviour | | 66 | | 66 |
| Other | | 83 | 82 | 1 |

(P) Disclosure of Whistle blower Complaints

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| 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) Deals of penalties:

No Penalty has been imposed by any Regulator during the financial year 2023-24 and 2022-23.



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

41 (Cont'd)

(R) Fraud Reporting:

Company has not reported any fraud in FMR during the current as well as previous year, since the amount involved in identified individual frauds were less than Rs. 1,00,000.

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

(S) Asset Classification

(a) Asset Classification and provision thereof :

| Asset classification | (Amount Rs. in Lakhs) | | | |
|----------------------|-----------------------|--------------|------------------------|---------------|
| | As at March 31, 2024 | | As at 31st March, 2023 | |
| | Loan Portfolio | Provision | Loan Portfolio | Provision |
| Standard Assets | 4,531.07 | 50.53 | 1,748.00 | 2.91 |
| Sub standard Assets | 14.20 | 14.20 | 145.51 | 145.51 |
| Doubtful Assets | | | | |
| Loss Assets | | | | |
| Total | 4,545.26 | 64.73 | 1,893.51 | 148.42 |

(b) The movement in provision for the year ended 31st March 2024, 31st March 2023.

| Particulars | (Amount Rs. in Lakhs) | | |
|------------------------|--------------------------|--------------------------------|--------------|
| | As at March 31, 2024 | | |
| | Standard asset provision | Non-performing asset provision | Total |
| Opening balance | 2.91 | 145.51 | 148.42 |
| Additions | 47.62 | - | 47.62 |
| Reduction | - | (131.31) | (131.31) |
| Closing balance | 50.53 | 14.20 | 64.73 |

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

The movement in Provision has been shown on net basis.

(c) Disclosure of Restructured Accounts

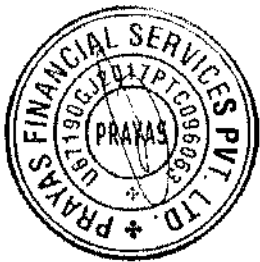
There were no restructuring of Loan during the Financial Year 2023-24 and 2022-23.

(T) Transaction with Related Parties:

Refer Note 35 for Transactions with Related Parties and its Outstanding Balances.

(U) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded:

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



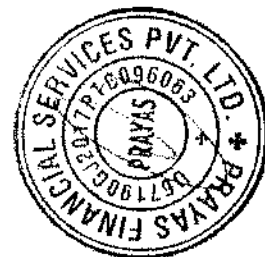
Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

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

| | | (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 1 year | 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 | 727.63 | 1,325.85 | 1,565.19 | 24.13 | - | 4,411.32 |

| | | (Amount Rs. In Lakhs) | | | | | | | | | |
|----------------------|-------------|-----------------------|------------------|----------------------------|---------------------------|-----------------------------|---------------------------|--------------------------|---------------------------|--------------|----------|
| As at March 31, 2023 | 1 to 7 Days | 8 to 14 days | 15 to 30/31 days | Over one month to 2 months | Over 2 months to 3 months | Over 3 months upto 6 months | Over 6 months upto 1 year | Over 1 year upto 3 years | Over 3 years upto 5 years | Over 5 years | Total |
| Liabilities | | | | | | | | | | | |
| Borrowings | 20.74 | 9.86 | 8.00 | 38.93 | 35.35 | 93.12 | 857.38 | 279.43 | - | - | 1,342.80 |
| Asset | | | | | | | | | | | |
| Loans | 129.53 | 62.15 | 16.20 | 116.64 | 116.02 | 366.04 | 455.08 | 538.93 | - | - | 1,750.60 |

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



43 Maturity analysis of assets and liabilities

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|-----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| | (Amount Rs. in Lakhs) | | | | | |
| ASSETS | | | | | | |
| [1] Financial Assets | | | | | | |
| (a) Cash and cash equivalents | 167.34 | | 167.34 | 1,219.94 | | 1,219.94 |
| (b) Bank Balance other than (a) above | 77.79 | | 77.79 | 73.59 | | 73.59 |
| (c) Loans | 2,822.00 | 1,589.32 | 4,411.32 | 1,211.66 | 538.93 | 1,750.60 |
| (d) Other Financial assets | 403.70 | 5.38 | 409.08 | 289.14 | 3.32 | 292.46 |
| | 3,470.83 | 1,594.69 | 5,065.53 | 2,794.33 | 542.26 | 3,336.59 |
| [2] Non-financial Assets | | | | | | |
| (a) Current tax assets (Net) | | 62.47 | 62.47 | | 36.74 | 36.74 |
| (b) Deferred tax Assets (Net) | | 59.34 | 59.34 | | 67.18 | 67.18 |
| (c) Property, Plant and Equipment | | 162.18 | 162.18 | | 50.19 | 50.19 |
| (d) Other Intangible assets | | | | | | |
| (e) Right of Use Asset | | 180.27 | 180.27 | | 203.78 | 203.78 |
| (f) Other non-financial assets | 11.26 | | 11.26 | 3.04 | | 3.04 |
| | 11.26 | 464.27 | 475.53 | 3.04 | 157.89 | 160.93 |
| Total Assets | 3,482.10 | 2,058.96 | 5,541.06 | 2,797.37 | 900.14 | 3,697.52 |
| LIABILITIES AND EQUITY | | | | | | |
| LIABILITIES | | | | | | |
| [1] Financial Liabilities | | | | | | |
| (a) Payables | | | | | | |
| Trade Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | | | | | |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 87.71 | | 87.71 | 22.05 | | 22.05 |
| (b) Lease Obligation | 9.44 | 184.38 | 193.82 | 8.21 | 193.82 | 202.03 |
| (c) Debt Securities | | | | 667.00 | | 667.00 |
| (d) Borrowings (Other than Debt Securities) | 1,405.12 | 1,010.07 | 2,415.19 | 396.37 | 279.43 | 675.80 |
| (e) Other financial liabilities | 103.82 | | 103.82 | 137.30 | | 137.30 |
| | 1,606.09 | 1,194.45 | 2,800.54 | 1,230.93 | 473.25 | 1,704.18 |
| [2] Non-Financial Liabilities | | | | | | |
| (a) Provisions | 0.06 | 64.40 | 64.46 | 0.26 | 20.74 | 20.99 |
| (b) Other non-financial liabilities | 67.06 | | 67.06 | 23.50 | | 23.50 |
| | 67.12 | 64.40 | 131.52 | 23.75 | 20.74 | 44.49 |
| [3] EQUITY | | | | | | |
| (a) Equity Share capital | | 2,365.37 | 2,365.37 | | 1,892.87 | 1,892.87 |
| (b) Other Equity | | 243.63 | 243.63 | | 55.98 | 55.98 |
| Total Equity | | 2,609.01 | 2,609.01 | | 1,948.84 | 1,948.84 |
| Total Liabilities and Equity | 1,673.21 | 3,867.86 | 5,541.07 | 1,254.68 | 2,442.83 | 3,697.51 |



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, 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 | - | 0.14 | 14.05 |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | | | | | |
| | 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 | - | 0.14 | 14.05 |
| Total | Total | 4,545.26 | 64.73 | 4,480.54 | 62.56 | 2.17 |

As at March 31, 2023

(Amount Rs. In Lakhs)

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference |
|---|--|-------------------------------------|---|---------------------|--|---|
| | | | | | | between Ind AS 109 provisions and IRACP norms |
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 1,741.86 | 1.90 | 1,739.96 | - | 1.90 |
| | Stage 2 | 6.14 | 1.01 | 5.13 | 4.02 | (3.01) |
| Subtotal | | 1,748.00 | 2.91 | 1,745.09 | 4.02 | (1.11) |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 145.51 | 145.51 | - | 133.30 | 12.21 |
| Doubtful - up to 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | | | | | |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 145.51 | 145.51 | - | 133.30 | 12.21 |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | | | | | |
| | Stage 1 | 1,741.86 | 1.90 | 1,739.96 | - | 1.90 |
| | Stage 2 | 6.14 | 1.01 | 5.13 | 4.02 | (3.01) |
| | Stage 3 | 145.51 | 145.51 | - | 133.30 | 12.21 |
| Total | Total | 1,893.51 | 148.42 | 1,745.09 | 137.32 | 11.10 |

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 2024 and 31 March 2023 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

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Balance of Loans as per Balance Sheet | 4,411.32 | 1,750.60 |
| Add: | | |
| Expected Credit Loss | 64.73 | 148.42 |
| Adjustment of Effective Interest Rate Accounting | 70.81 | (2.33) |
| Less: | | |
| Employee loan | (1.54) | (3.17) |
| Exposure at Default as per Note 44 | 4,545.26 | 1,893.51 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

44.3 Movement of NPAs:-

| Particular | (Amount Rs. In Lakhs) | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Net NPA to net advance (%) | 0.00% | 0.00% |
| Movement of gross NPAs | | |
| Opening Balance | 136.24 | 16.14 |
| Addition during the year | 21.66 | 120.65 |
| Reduction/Write off during the year | 143.70 | 0.55 |
| Closing balance | 14.20 | 136.24 |
| Movement of provision for NPAs | | |
| Opening Balance | 145.51 | 16.14 |
| Addition during the year | 21.66 | 131.25 |
| Reduction/Write off during the year | 152.98 | 1.88 |
| Closing balance | 14.20 | 145.51 |
| Movement of net NPAs | | |
| Opening Balance | (9.27) | (0.00) |
| Addition during the year | | (10.60) |
| Reduction/Write off during the year | (9.27) | (1.33) |
| Closing balance | - | (9.27) |

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, 2024 | March 31, 2023 |
| Number of Significant Counterparties | 4.00 | 4.00 |
| Amount (In Lakhs) | 2,419.60 | 679.44 |
| % of Total deposits | NA | NA |
| % of Total liabilities | 82.52% | 38.85% |

45.2 Top 20 large deposits

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

45.3 Top 10 borrowings

| Year | As at | |
|-----------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Amount (In Lakhs) | 2,419.60 | 679.44 |
| % of Total Borrowings | 100.00% | 100.00% |

45.4 Funding Concentration based on significant instrument/product

| Year | (Amount Rs. In Lakhs) | | | |
|------------------------------------|-----------------------|---------------------------|----------------------|---------------------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| Name of the Instrument/ Product | Amount | % of Total Liabilities | Amount | % of Total Liabilities |
| Secured Non Convertible Debentures | | 0.00% | 667.00 | 49.47% |
| Term loans | 2,415.19 | 100.00% | 675.80 | 50.33% |
| Total | 2,415.19 | 100.00% | 1,342.80 | 100.00% |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

45.5 Stock Ratios

| Particulars | As a % of public funds | | As a % of Total liabilities | |
|---|-------------------------|-------------------------|-----------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Commercial papers | NA | NA | | |
| Non- Convertible Debentures (original maturity of less than one year) | NA | NA | | 38.14% |
| Other Short term liabilities* | NA | NA | | |

| Particulars | As a % of total assets | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Commercial papers | | |
| Non- Convertible Debentures (original maturity of less than one year) | | 19.04% |
| Other Short term liabilities* | | |

* 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:

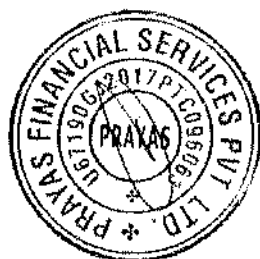
| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|----------------|----------------------|----------------|
| | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| a) Debentures : | | | | |
| Secured | | | 667.00 | |
| Unsecured (other than falling within the meaning of public deposits) | | | | |
| b) Deferred Credits | | | | |
| c) Term Loans | 2,419.60 | | 679.44 | |
| 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):

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|----------------|----------------------|----------------|
| | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| a) In the form of Unsecured Debentures | | | | |
| b) In the form of Partly Secured debentures i.e. debentures where there is a shortfall in the value of security | | Not Applicable | | Not Applicable |
| 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 Outstanding | As at | |
|--------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| a) Secured | | |
| b) Unsecured | 4,411.32 | 1,750.60 |



Prayas Financial Services Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

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

| Particulars | (Amount Rs. in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| (I) Lease assets including lease rentals under sundry debtors: | | |
| (a) Financial Lease | | |
| (b) Operating Lease | Not Applicable | |
| (II) Stock on hire including hire charges under sundry debtors: | | |
| (a) Assets on hire | | |
| (b) Repossessed Assets | Not Applicable | |
| (III) Other Loans counting towards AFC activities | | |
| (a) Loans where assets have been repossessed | | |
| (b) Loan other than (a) Above | Not Applicable | |

46.5 Break up of Investments

| Particulars | (Amount Rs. in Lakhs) | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| 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 Private Limited
CIN : U67190GJ2017PTC096063
Notes forming part of the Financial Statements for the year ended 31st March, 2024

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, 2024 | | | | | |
| Amount Net of Provisions | | | | | |
| Secured | | | | 4,411.32 | 4,411.32 |
| Unsecured | | | | | |
| Total | | | | 4,411.32 | 4,411.32 |
| As at March 31, 2023 | | | | | |
| Amount Net of Provisions | | | | | |
| Secured | | | | 1,750.60 | 1,750.60 |
| Unsecured | | | | | |
| Total | | | | 1,750.60 | 1,750.60 |

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, 2024 | | As at March 31, 2023 | |
|--------------------------------------|--|-------------------------------|--|-------------------------------|
| | Market Value/Break up or FAIR Value or NAV | Book Value(Net of Provisions) | Market Value/Break up or FAIR Value or NAV | Book Value(Net of Provisions) |
| 1. Related parties | | | | |
| a) Subsidiaries | | | | |
| b) Companies in the same group | | | | |
| c) Other Related parties | | | | Not Applicable |
| 2. Other than related parties | | | | |

46.8 Other Information

(Amount Rs. in Lakhs)

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| (i) Gross Non-Performing Assests | | |
| a) Related Parties | | |
| b) Other than related parties | 14.20 | 136.24 |
| (ii) Net Non performing Assests | | |
| a) Related Parties | | |
| b) Other than related parties | | |
| (iii) Assets acquired in satisfaction of Debt | | |

47 The company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The feature was enabled w.e.f. January 1, 2024 and the same has operated throughout the period thereafter till March 31, 2024. During this period, there were no instances noted of audit trail feature being tampered with.

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

- The company has not traded or invested in crypto currency or virtual currency during the financial year.
- No satisfaction of charges are pending to be filled with ROC.
- 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.
- Hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988.
- 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.
- 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.
- The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.



Prayas Financial Services Private Limited


CIN : U67190GJ2017PTC096063

Notes forming part of the Financial Statements for the year ended 31st March, 2024

- 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 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.
- (c) Funds transferred under Business Corropondent (BC) operations by funding Parties are directly disbursed to ultimate borrowers, wherein Company acts as a servicer to the Loan Portfolio. Therefore, loans granted under this mechanism are not considered for reporting under this clause.
- 52 Previous year's figures have been regrouped, 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
ICAI Firm Reg.No. 106041W/W100136



J.D. Shah

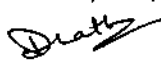
Partner
(M.No.100116)
Place: Ahmedabad
Date: April 30, 2024



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


Abhisek Khanna
Managing Director &
Chief Executive Officer
(DIN 09680649)
Date: April 30, 2024


Pranav Desai
Chief Financial Officer &
Director
(DIN: 07153262)
Date: April 30, 2024


Divya Rathi
Company Secretary
Place: Ahmedabad
Date: April 30, 2024