FUELLING ENTREPRENEURS WHO FUEL THE INDIAN ECONOMY

svatantra

Contents

Disclaimer

This document contains statements about expected future events and financials of Svatantra Microfin Private Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements.

Corporate Overview

By The Numbers

	Combined*	Svatantra Microfin
Cumulative Loan Disbursal Since Inception	₹ 42,689.58 crore	₹ 24,113 crore
FY 2023-24 Loan Disbursal	₹ 12,568 crore	₹ 6,225 crore
Assets Under Management	₹ 14,437 crore	₹ 7,724 crore
Active Borrowers	4 million	2.3 million
Branches	1,814	966
Employees	18,896	9,818

Note: Data as of March 31, 2024
*Svatantra Microfin and Chaitanya India Fin Credit

Our Vision And Our Values

Building the entrepreneurs that build India's economy

- Transparency • Integrity
- Teamwork • Innovation • Passion
- Customer Centricity

Milestones Of Our Journey

February 17, 2012
Founded by Ananya Birla

February 5, 2013
Becomes the first microfinance institution to receive the NBFC-MFI licence from RBI

March 1, 2013
- Svatantra goes live.
- Opens first branch in Wada, Maharashtra

April 1, 2014
Commences operations in Madhya Pradesh

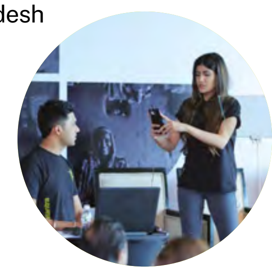
June 21, 2014
Wins SKOCH Award for financial inclusion

December 2014
Exceeds 25,000 client mark

September 2015
AUM surpasses ₹ 50 crore

March 31, 2016
Over 80,000 borrowers

December 2016
- Receives A- rating from ICRA
- Crosses ₹ 100 crore in gross loan portfolio



June 2017
Launches an end-to-end mobile app called SAATHI

November 2017
Svatantra employee family grows to 1000

March 2018
Exceeds ₹ 570 crore in AUM

December 2018
Svatantra in now 10 states

April 2019
Crosses ₹ 1,289 crore in AUM

July 2019
Obtains A+ rating from CRISIL

January 2020
Rated Grade M1 by ICRA, highest for an MFI

March 2020
Recognised as "Great Place To Work"

November 2020
Introduces customer-facing app called SAKSHAM

May 2021
1.2 million in total active clients

May 2022
- 1.7 million mark in total active clients
- Introduces 'Kutcha House Insurance' for women borrowers to rebuild their house

May 2023
- Introduces 24/7 telemedicine consultation
- Crosses ₹ 7,674 crore in gross loan portfolio

November 2023
Acquires Chaitanya India Fin Credit, making Svatantra the second-largest MFI in India

March 2024
- Signs agreement with Advent International and Multiples PE for an investment of ₹ 1,930 crore in Svatantra Microfin, the largest private equity investment in the sector (Awaiting RBI approval)
- Consolidated loan portfolio crosses ₹ 14,400 crore

A MESSAGE FROM THE CHAIRPERSON

Fuelling India's Growth Entrepreneurs

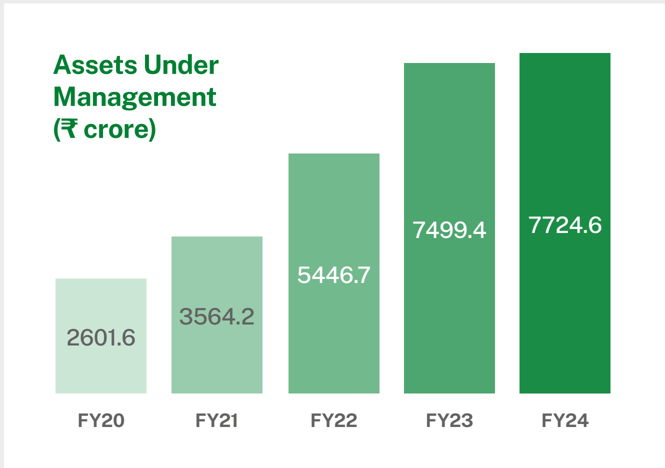
Having commenced operations in 2012 with a modest seed capital of ₹ 5 crore, the company's total assets have expanded by over 1,500 times at the end of FY24. We believe that nurturing foundational entrepreneurs will help transform local economies and fuel national development. Our acquisition of Chaitanya India, has propelled us to the second largest NBFC-MFI in India allowing us to offer more tailored and accessible credit solutions, catalysing the entrepreneurial aspirations of Indians. Harnessing the power of digital technology to lend efficiently and prudently, we aspire to deliver responsible and sustainable financial solutions to build a more prosperous India."

—Ananya Birla

Dear Stakeholders,

I would like to start by expressing my gratitude for all your support since our inception. It has truly been a journey and we have embarked on it together. India's indomitable spirit is elevating its global stature. In an increasingly aspirational India, Svatantra Microfin's mission to democratize finance and catalyse economic self-sufficiency is more crucial than ever. When Svatantra Microfin's journey began in 2012, small, medium, and micro enterprises were already shaping a burgeoning economy. Our vision was to establish a financial services entity that supported the backbone of Indian entrepreneurship while generating significant value for all stakeholders. Since then, we have made a substantial impact. Today, these foundational enterprises contribute a remarkable 29.1% (gross value added) to India's GDP. We hope that our customised financial products can cater to countless individuals nationwide to achieve their goals and fuel the nation's economic growth. I am delighted to present Svatantra Microfin's annual report, highlighting our successes and milestones.

The financial year 2023-24 has been an exciting and eventful one for us. My team not only exceeded internal expectations but also achieved several notable milestones. Our acquisition of Chaitanya India Fin Credit has been the first of its kind in the industry given its sheer size, propelling us to become the country's second-largest NBFC-MFI. Following this, we successfully entered into a definitive agreement to secure a significant investment of ₹ 1,930 crore from Advent International and Multiples PE in Svatantra Microfin (subject to RBI approval), marking one of the largest private equity deals in the microfinance sector. This strategic partnership with renowned investors not only validates our credibility but also opens up new avenues for growth and value creation for our stakeholders. These milestones are a culmination of Svatantra's unwavering commitment to powering entrepreneurs who fuel the Indian economy.



To date, Svatantra Microfin has disbursed loans to over 3.4 million borrowers across 364 districts in 19 states. Our gross loan portfolio was at ₹ 7,725 crore at the end of March 31, 2024, with Bihar, Maharashtra, and Uttar Pradesh taking the top three spots among states in the loan book. Notwithstanding rapid revenue growth, we successfully maintained a strong and resilient balance sheet through prudent risk management.

Having commenced operations in 2012 with a modest seed capital of ₹ 5 crore, Svatantra Microfin has demonstrated remarkable growth. By the end of FY24, the company's total assets had expanded by over 1,500 times. Our cumulative disbursements surged to over ₹ 24,113 crore during the same period. We are deeply grateful to our investors and our passionate team for their belief in us.

Fortifying responsible lending

Svatantra Microfin's unwavering focus on quality ensured a robust loan book, despite a challenging market environment. By effectively managing credit risk and maintaining a steady disbursement rate, we could serve underserved customers without compromising on asset quality. Technological advancements, such as artificial intelligence and machine learning, have significantly improved our ability to evaluate customer risk.

Our loan book grew at a stable pace through careful risk management and consistent lending practices. The company's gross non-performing assets (NPA) fell from 5% in FY23 to 3.08% in FY24 even as the industry battled the COVID-19 pandemic. Our net NPA (NNPA) decreased to 0.38% from 1.94% in the same period, a remarkable achievement at a time when the industry averaged at 0.9% of NNPA. This is even as our cumulative disbursals grew 34.8% during the financial year, a significantly higher rate than the industry average. Svatantra's agility in navigating the evolving regulatory landscape has been a key factor in this growth.

	FY22	FY23	FY24
Cumulative Disbursements (₹ crore)	11,602.50	17,888.50	24,113.28

Chaitanya, our wholly-owned subsidiary, shares our values of prudent lending and comprehensive risk assessment. The company's gross NPA and net NPA stood at 0.3% and 0.04% respectively for the financial year. The inclusion of Chaitanya in the Svatantra family has enabled us to increase efficiency levers, enhance our risk management practices, and provide better protection for our clients at scale.

In an ever-changing market, adversities may test our limits but the exceptional teams at Svatantra Microfin and Chaitanya consistently rise to the occasion, finding silver linings even in the most difficult circumstances.

Assets Under Management

Svatantra Microfin	Chaitanya	Combined
₹ 7,724 crore	₹ 6,713 crore	₹ 14,437 crore

Svatantra Microfin

Operating Profit	Net Worth	Profit After Tax
₹ 656 crore	₹ 2,465.97 crore	₹ 225.96 crore

Operating Expense to AUM	Net NPA	Capital Adequacy Ratio
5.62%	0.38%	18.54%

FUNDING

Year	Investors	Amount (₹ crore)
2024	Advent International and Multiples PE*	1,930

*Awaiting RBI approval

ACQUISITION

Name	Segment	Year
Chaitanya India Fin Credit Pvt. Ltd.	Microfinance	2023

GEOGRAPHICAL REACH

Key States	Svatantra Microfin (% AUM)	Branches
Bihar	22.77%	168
Maharashtra	16.37%	132
Uttar Pradesh	13.05%	120
Karnataka	1.57%	30
Madhya Pradesh	9.61%	102
Jharkhand	9.92%	33
West Bengal	3.80%	80

State-wide presence:
West: Maharashtra, Gujarat, Rajasthan, and Madhya Pradesh

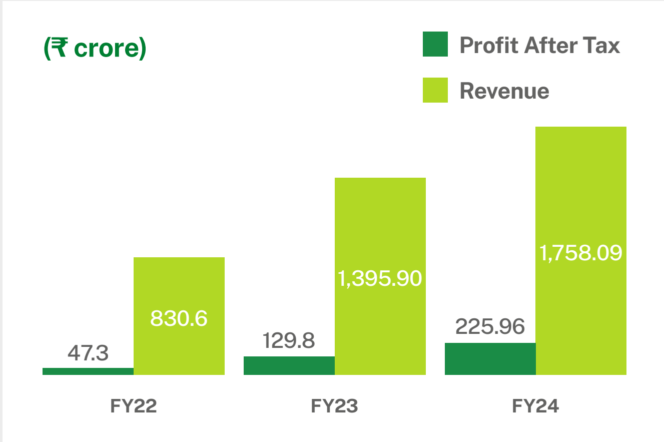
East and North-East: Chhattisgarh, Jharkhand, Bihar, Uttar Pradesh, Odisha, West Bengal, Assam, Tripura and Arunachal Pradesh

North: Punjab, Haryana, and Uttarakhand

South: Karnataka, Tamil Nadu, and Kerala

Striking a balance between profit and revenue

As an NBFC-MFI, it is our responsibility to demonstrate a balance between growth and profitability. While we have consistently expanded our operations, we've also optimized costs and harnessed the power of digital technology to enhance our bottom line. This strategic approach has yielded impressive outcomes, resulting in a 74% increase in profit after tax to ₹ 226 crore in FY24, even as our revenue surged to ₹ 1,758 crore.



We believe in a balanced approach that prioritises revenue and profitability, financial performance and social impact. While we prioritise expanding access to credit, we also rigorously uphold standards for borrower selection, ensuring that our clients have the capacity to repay their loans. This dual focus enables us to achieve a harmonious balance between profit, purpose, and turnover. Technology has been instrumental in streamlining our operations and boosting our bottom line. However, recognising the unique needs of our entrepreneurs, we have carefully balanced digital innovation with a human touch to ensure that technology serves as an enabler rather than a barrier.

The industry has validated our successes. Svatantra Microfin was adjudged the "Most Influential Microfinance Company of the Year" at the Bharat NBFC & Fintech Summit and Awards, 2024 and the "Microfinance Company of the Year" at the National Awards for Excellence in BFSI, 2024.

Building a people-first culture

Svatantra Microfin has played a significant role in professionalising the NBFC-MFI sector and attracting top talent. Our dedicated team of 18,896 employees is at the heart of our mission to broaden access to affordable credit. It is a testament to our company culture that our senior management, who joined us over a decade ago, continues to be a part of our team.

To foster a culture of high performance, we have established a series of incentives to reward our top employees. The rewards and recognition suite consists of employee stock options and academic development programmes. In addition to recognising high performance, we also focus on creating an engaging work environment, providing ample opportunities for informal connections among employees. Some of the initiatives include Svatantra Premier League and Indoor Games Club.

As we build newer products and services to better serve our customers, we will remain committed to creating a company that values its employees and promotes their professional growth. By actively practicing an open-door policy, we have created a workplace built on trust, transparency, and open communication.

We believe that a healthy work environment is essential for employee well-being and productivity. This is why we have invested in industry-recognised initiatives such as access to counselling services and menstrual leaves to promote an empathetic work environment.

Stepping up the pace

Twelve years ago, when I founded Svatantra Microfin, my goal was simple: to bank the unbanked. Today, I am thrilled to see our clients not only achieve financial independence but also become catalysts for change in their communities.

We, at Svatantra Microfin, have always believed that a hand-up is better than a handout. I would like to believe the company has played a pivotal role in steering its clients towards a more self-reliant future. After acquiring Chaitanya, we are now better equipped to serve India's ambitious entrepreneurs and innovators at the grassroots level.

In our pursuit of becoming a major force in the financial services industry, we will foster closer synergies between our teams.

Svatantra aspires to be the undisputed leader, a desirable icon, in the Indian NBFC-MFI industry, not only in terms of assets under management but also in customer satisfaction and operational excellence. The company is actively working towards a public listing within the next three years, reflecting our commitment to continued growth and expansion.

With a renewed sense of purpose, we are excited to continue our mission of providing transformative financial solutions and building a stronger, more inclusive India. Let us build a better tomorrow, together.

Warm regards,
Ananya Birla
Founder and Chairperson

The MD's Insights

Dear All,

At the outset I would like to extend my gratitude to our customers and stakeholders for making the decadal journey of Svatantra Microfin both impactful and immensely satisfying. It all began with the vision of Ms. Ananya Birla in 2012 to create financially independent and self-sufficient households in rural India and empower the entrepreneurs who fuel the Indian economy. Since then, it has been the company's unwavering commitment towards responsible lending that has been a driving force behind our growth.

Since inception, Svatantra Microfin has made a difference to 34.2 lakh households in rural India impacting the lives of about 171 lakh individuals across 19 states, 333 districts and 1.24 lakh villages. The company has emerged as the most trusted and respected name amongst our borrowers, lenders, and peers. Our products and processes are amongst the most efficient, seamless, and transparent, centered around customers' need and protection while leveraging best-in-class technology.

Svantantra Microfin has always endeavored to further the cause of financial inclusion of the underserved segment in rural India and was the first NBFC-MFI to provide cashless credit in the bank accounts of its customers (since inception in 2012). It is also amongst the first NBFC-MFI to launch a customer app for its borrowers to create a real-time connection.

We believe that our team is our core strength, and the company has been an employer of choice in the industry. We take pride in the fact that the average tenure of many of our senior management is more than seven years and many of my colleagues have been partners since inception. Svatantra Microfin has always had a culture of meritocracy and equal opportunity. It not only provides the best of employee benefits, but has been also amongst the first to extend support marquee initiatives such as mental health well-being and menstrual leaves, among others.

Svatantra Microfin's Assets Under Management (AUM) has grown at a CAGR of 83% since its inception. The company has always adopted financial prudent strategy keeping a calibrated approach between AUM growth, portfolio quality and operating expenses to provide best returns to shareholders and gain lenders' confidence. The accreditation of AA- from both CRISIL and CARE, which is amongst the highest in the sector, and being rated MFR1 grade by SMERA stands testimony to our approach.

"The acquisition of Chaitanya not only catapults Svatantra Microfin (on combined basis) to become India's second largest NBFC-MFI in terms of AUM, but also ushers in plethora of synergies. The combination of two marquee entities, Svatantra Microfin and Chaitanya, best-in-class processes, a great pool of talent, and capitalisation lays the foundation towards creating a valuable and impactful NBFC-MFI for the future."

—Vineet Chattree

The company closed the fiscal 2023-24 with a total AUM of ₹ 7724.57 crore and an active borrower base of 23.61 lakh with a profit after tax of of ₹ 225.96 crore. This would not have been possible without a passionate and dedicated team of 9,818 employees across 966 branches in 19 states. Last year was a milestone in the journey of SMPL, where it acquired Chaitanya India Fin Credit Private Limited (CIFCPL) through a 100% secondary buy out of stake from Navi Finserve Limited and Navi Technologies Limited. CICPL is now a 100% subsidiary of Svatantra Microfin.

CIFCPL has been amongst the most respected and well-run NBFC MFI both in terms of consistent growth, portfolio quality, returns, and highest level of values and ethics. The acquisition not only catapults Svatantra Microfin (on combined basis) to become India's second largest NBFC-MFI in terms of AUM but also ushers in plethora of synergies including, but not limited to, having most diversified portfolio amongst the industry, best in class talent pool and an ability to adopt best-in-class practices across both entities. On a combined basis as on 31st March 2024, we serve 41.02 lakh customers across with a combined AUM of ₹ 14,445 crore and amongst the best returns in the industry.

Further, it is indeed a moment of pride that Svatantra Microfin has entered into a definitive agreement with Advent International, one of the world's largest and most experienced private equity investors, and Multiples Private Equity, India's leading private equity investor, for an investment of $230 million. This deal marks the largest investment by private equity investors in the microfinance sector in India. The transaction is subject to receipt of statutory and regulatory approval of the Reserve Bank of India.

The combination of two marquee entities, best-in-class processes, a great pool of talent, and capitalisation, lays the foundation towards creating a valuable and impactful NBFC-MFI for the future.

Warm regards,
Vineet Chattree
Managing Director

Products That Make A Difference

MSMEs have been a cornerstone of India's economy, demonstrating remarkable resilience and contributing significantly to GDP growth. Data[1] from the Ministry of Micro, Small & Medium Enterprises showed that these upstarts had a 45.46% share in India's exports as of September 2023. In addition, over 49 million MSMEs are registered[2] on the government's Udyam portal and employ over 212 million people. As a major source of employment and exports, MSMEs play a crucial role in driving economic development and improving livelihoods across the country.

Despite their crucial role in driving India's economic growth, MSMEs are hindered by a substantial credit gap, estimated[3] to be around ₹ 25 lakh crore. This significant shortfall highlights the urgent need for greater access to finance to support MSMEs, promote entrepreneurship, and fuel economic development.

Credit, particularly microfinance-led credit, has been instrumental in promoting entrepreneurship and fueling economic development. As of March 31, 2024, the microfinance industry had served[4] a remarkable 78 million unique borrowers, with a total Gross Loan Portfolio (GLP) of ₹ 4.33 lakh crore. NBFC-MFIs emerged as the primary providers of micro-credit, accounting for 39.4% of the total industry portfolio, with an outstanding loan amount of ₹ 1.7 lakh crore.

[1] **PIB, December 2023**
https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1985020

[2] **Udyam dashboard, August 26, 2024**
https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm

[3] **The Financial Express, June 24, 2024**
https://www.financialexpress.com/business/sme-govt-mulls-new-bank-to-bridge-credit-gap-for-msmes-3532675/

[4] **MFIN, June 7, 2024**
https://mfinindia.org/assets/upload_image/news/pdf/Micrometer%20Q4%20FY%2023-24%20Press%20Release.pdf

LOAN FACT SHEET

	Microfinance Loan	MSME Loan
Loan Amount	₹ 5,369 to ₹ 1 lakh	₹ 1 lakh to ₹ 3 lakh
Tenure	12 Months to 30 Months	24 Months to 36 Months
Repayment Option	Monthly	Monthly
Rate of Interest (per annum)	19.75% to 24.25%*	23%
Loan Processing Fee	0.75% to 1.50% (Plus GST)	2% (Plus GST)
Prepayment Charges	Nil	2% (excluding GST) on principal amount outstanding as on date of payment

*Average rate of interest for Q4 FY24: 23.21%

As a prominent member of the NBFC-MFI industry, Svatantra Microfin is dedicated to creating a supportive financial ecosystem that powers entrepreneurs. Our product portfolio reflects this commitment towards fuelling entrepreneurship and providing crucial financial support to enterprising Indians. These loans provide the financial foundation that entrepreneurs need to start, scale, and succeed in their ventures.

Taking the specific requirements of grassroot entrepreneurs, especially women, into consideration, our product suite is divided into two categories: microfinance loan and MSME loan. In addition, Svatantra Microfin offers credit-linked insurance to women and their spouses, ensuring that their families are financially protected in the unfortunate event of a death.

The company bolsters the efforts of foundational entrepreneurs to build scalable ventures through microloans at competitive interest rates. These loans are designed to help women invest in and grow their businesses.

To ensure maximum accessibility, Svatantra Microfin offers loans to individual women as well as to groups of 5-25 women, with each group member providing credit guarantees for the others. In addition, the company offers tenors of up to 36 months for higher ticket size loans. This flexibility allows borrowers to access the necessary funds to support their business growth and expansion plans.

Seamless disbursal processes

Svatantra Microfin is committed to cashless transactions, disbursing all loans directly into the customers' bank accounts. For those who are unbanked, the company assists them in opening one. This not only streamlines the loan process but also encourages customers to adopt banking practices and benefit from their savings.

Loan decisions are made on a case-by-case basis, considering various factors such as the borrower's profile, repayment ability, financial commitments, credit history, loan term, occupation, income stability, location, and intended use of the loan. We gather this information through borrower input and on-site assessments by our team.

The company also leverages technology to enhance its lending processes and better serve its clients. One of the company's key innovations is the implementation of a unique, digitally enabled income assessment process. This advanced system allows for more accurate and efficient evaluation of potential borrowers' financial capabilities.

Drawing on its extensive experience in the MSME sector, Svatantra Microfin has implemented a detailed customer and spouse credit information report (CCIR) review. This comprehensive assessment provides valuable insights into borrowers' financial history and risk profile.

By combining advanced technology with a deep understanding of the MSME sector, we are able to offer tailored financial solutions that meet the unique needs of its clients. This commitment to innovation and customer-centric approach has positioned us as a leading player in the microfinance industry.

Robust Finances, Balanced Growth

Svatantra Microfin empowers entrepreneurs and aspiring individuals by providing accessible credit for growth. While our mission is to serve people traditionally not served by banks, we also believe in sustainable business practices. By lending responsibly and building a profitable book, we have ensured that we can continue to make a positive impact for years to come.

The company's disciplined approach to risk assessment, strategic focus on revenue and profitability, combined with maintaining high asset quality, has enabled us to build a financially sound business. A conducive regulatory environment significantly enhanced our ability to serve our customers more effectively. Major regulatory decisions that positively impacted our business included the increase in the annual household income limit to ₹ 3 lakh, the removal of the pricing cap, and the revision of the qualifying assets limit from 85% to 75% of net assets. These changes expanded our opportunities to serve a wider range of customers.

We achieved solid results in all key financial areas, demonstrating healthy disbursements, strong profitability, and good asset quality.

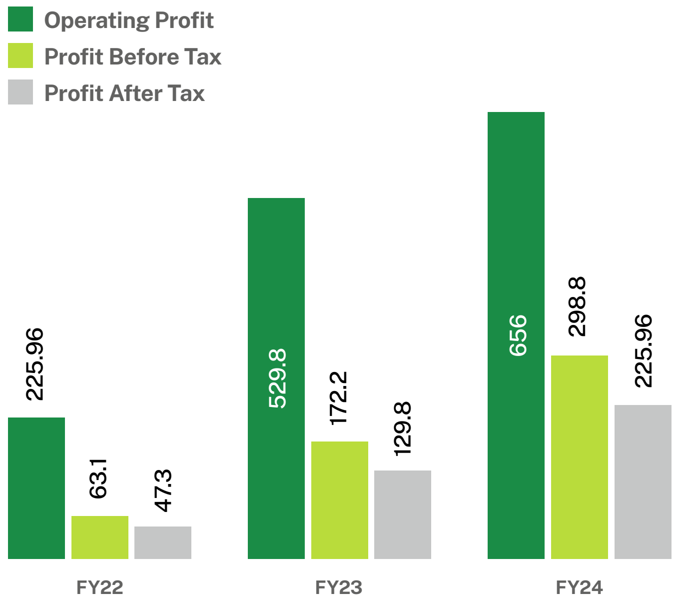
Disbursement: Svatantra Microfin achieved a cumulative disbursement of ₹ 24,113 crore in FY24, demonstrating a significant growth in its lending operations. The company's disbursements rose to ₹ 6,225 crore, further highlighting its strong market presence and contribution to the financial sector.

Disbursements Soar

Financial Year	Disbursement (₹ crore)
FY19	1,132.40
FY20	2,486.30
FY21	2,414.40
FY22	4,549.00
FY23	6,286.00
FY24	6,224.80

Net Profit: The strategy use of digital solutions and in-depth analysis of customer data enabled us to accurately price our loan products, contributing to our exceptional profitability even during fluctuating lending cycles.

Robust Financial Performance (₹ crore)



Asset Quality: We stayed committed to responsible lending, employing a unique risk-based pricing methodology powered by AI/ML to accurately assess customer risk based on both demographic and transactional behaviour. This approach enabled us to lend to low-risk, high-value borrowers while minimising slippages.

Bad Loans Under Control

	FY22	FY23	FY24
Gross NPA (%)	3.39	5.00	3.08
Net NPA (%)	1.51	1.94	0.38
Provision (₹ crore)	144.50	357.60	357.10

Lending Partners: The lender mix for Svatantra Microfin demonstrates a well-diversified portfolio. The company has a cohort of financial institutions, including public sector banks, private banks, foreign banks, non-banking financial companies (NBFCs), foreign institutional investors (FIIs), and development finance institutions (DFIs). This diverse funding base enhances the company's financial stability and resilience, reducing its exposure to risks associated with any single lender or lender type.

Liability Management

Svatantra Microfin's robust capital position, supported by a diverse investor base, is a testament to our effective liability management, fundraising capabilities. Our successful track record in attracting funding inspires confidence in our financial health relative to our size and operations.

Credit Rating: The company's strong financial performance, evidenced by its AA-(stable) rating for long-term debt from CARE Ratings and CRISIL, reflects the growth in its earnings profile and operations. The company's M1 rating from SMERA, the highest in the microfinance category, further underscores its financial strength. The acquisition of Chaitanya India Fin Credit will bolster Svatantra Microfin's long-term ratings, benefiting from the expanded geographical reach, larger branch network, and lower cost of funds.

Borrowings: Our effective asset-liability management has resulted in a positive mismatch, ensuring a healthy liquidity position and mitigating interest rate risk.

Positive ALM Mismatch (₹ crore)

Bucket	Inflows	Outflows
Up to 1 Month	1,377	414
Over 1 Month to 2 Months	373	296
Over 2 months to 3 Months	374	419
Over 3 to 6 Months	1,111	1,070
Over 6 Months to 1 year	1,934	1,563

The rising demand in the MSME and micro credit segments created a favourable environment for Svatantra Microfin's business performance in FY24. With India's economy accelerating, we focused on supporting entrepreneurs through our innovative credit offerings, contributing to the nation's growth story. Our strategic approach to balancing profit and revenue has enabled Svatantra Microfin to become a leading player in the NBFC-MFI sector.

Multifaceted Risk Management

Svatantra Microfin has implemented a comprehensive operational risk management framework to ensure the safety and soundness of its operations. To ensure operational efficiency and holistic due diligence, we follow a multi-layered risk management strategy that includes operational risk assessment, quality control, and internal audits.

The company's unique model involves regular visits to branches, conducting loan underwriting checks, confirming overdraft and collection activities, and monitoring process adherence.

To enhance efficiency and accountability, Svatantra Microfin has enabled monthly branch grading through a mobility-based platform. This grading system is linked to employee incentives, fostering a culture of performance and proficiency. Additionally, the company maintains a proactive approach to fraud detection and control, implementing robust measures to safeguard its operations.

The standard loan application and disbursement procedure involves several stages:

The company supports entrepreneurs, especially women, in expanding their businesses or launching new ventures. However, to ensure the viability of each loan, we conduct thorough due diligence to assess the proposed business expansion and its potential for success.

Our risk management process incorporates a three-layered audit system to ensure both pre-facto and post-facto controls are in place, safeguarding our operations. Svatantra Microfin conducts regular quality checks on loan parameter inputs, insurance details, and KYC information. The company also maintains a dedicated multilingual call centre and digital capabilities to effectively handle customer grievances through its customer grievance redressal mechanism.

Svatantra Microfin prioritises customer satisfaction by resolving complaints within an average of days. To ensure timely responses, we have implemented efficient systems and procedures. The complaint resolution rate is 100%, a testament to the efficiency of our established guardrails.

To maintain operational integrity, Svatantra Microfin conducts comprehensive internal audits, covering revenue, expense, information technology, and internal financial controls. Regular audits at the field level further strengthen the company's risk management framework, ensuring adherence to best practices and regulatory requirements.

Risk management is an ongoing process at Svatantra Microfin. We believe that by continuously evaluating our practices and adapting to evolving risks, we can deliver exceptional service to our customers.

1 **Identification**
Identify customers who benefit from loans through detailed surveys.

2 **Formation**
Field officers create groups of 5-12 people.

3 **Training**
Conduct workshops on financial literacy to help prospective customers develop money management skills.

4 **Group Appraisal**
Implement a detailed application process to shortlist potential customers.

5 **Disbursement**
Transfer money to bank accounts of the shortlisted customers looking to run a business.

6 **Repayment/ Collection**
Offer timely guidance and timely collection of the monthly loan instalments.

Technology-Driven Credit Solutions

Technology is the catalyst that drives innovation and efficiency in the financial services sector, empowering companies to improve accessibility and turnaround times. Svatantra Microfin is at the forefront of leveraging technology to revolutionise the NBFC-MFI industry.

We have been at the forefront of digitisation, proudly achieving 100% cashless disbursements from day one. Our technological interventions are two-fold, one at an operational level and the other at a customer-facing level.

Svatantra Microfin leverages a comprehensive mobile app, SAATHI, to streamline its operations. SAATHI was launched in 2017 as a cashless lending solution to ensure that customers only transact through formal banking channels. The app helps our team to use smartphones or tablets to perform a series of functions, including identifying potential expansion areas, managing customer information, handling loan disbursements, and collections. This technological advancement has significantly simplified our business processes, allowing us to access real-time data on remote customers and reduce turnaround times.

SAKSHAM, our customer-centric app, was launched in November 2020. It provides a comprehensive suite of services, including loan information, receipt processing, online grievance redressal, payment platforms, and a chatbot for medical insurance and HR onboarding.

By deploying cutting-edge technology, Svatantra Microfin has made lending more accessible and efficient for both customers and employees. SAKSHAM helps users conveniently manage their loans and access essential services. SAATHI optimises workflows, reduces manual processes, and improves decision-making.

Be it the IT platform or apps, Svatantra Microfin's technology processes are built on a foundation that prioritises data protection. All our key processes, including risk, HR, finance, and learning, are integrated into the company's end-to-end IT platform, ensuring efficiency and transparency. We are continuously investing in digitisation and making upgrades to our existing systems to protect customer data and our proprietary assets.

A glimpse into the technological prowess of the company:

- **Automated decision-making using Business Rule Engine** Automate the underwriting process to reduce human error and increase efficiency.
- **Data aggregation** Integrate data from various sources such as credit bureaus and financial transactions for a comprehensive view
- **Highly configurable and scalable rule engine** Allows multiple rules and configurations
- **Regulatorily compliant** with all the relevant regulations and internal policies
- **Streamlined workflows** Use technology to create seamless workflows that integrate with other financial systems, reducing the time from application to decision.
- **Adapt to Changes** Quickly adapt to market changes by modifying rules without needing to overhaul the entire system.
- **Test and Validate** Rigorously test the borrowing risk evaluation model with historical data to validate its accuracy and reliability in making underwriting decisions.

Our technology-driven approach has enabled us to strike a delicate balance between risk and conversion, delivering exceptional risk-adjusted returns. We remain committed to understanding our customers' needs and the business context, continuously innovating to provide frictionless credit while maintaining rigorous risk standards.

While technology is essential, the human touch remains indispensable. In a high-touch business such as ours, customers need to feel a personal connection with us and our team. Our goal is to build long-lasting relationships, supporting our clients through every stage of their financial and entrepreneurial journey. Svatantra Microfin's dedicated team of loan officers plays a vital role in spreading financial literacy and ensuring our clients make the most of our products.

The Blueprint For A High-Performance Team

At Svatantra Microfin, our employees are the heart and soul of the company, serving as our brand ambassadors on the ground. We are passionate about professionalising the NBFC-MFI sector and have implemented several employee-friendly policies to foster a positive work environment.

Our comprehensive employee wellbeing programme is called Svatantra Cares. We have implemented this initiative to address the holistic needs of our employees. This programme focuses on:

Emotional Wellbeing: The company offers 24/7 access to employee assistance programme consultants for emotional support, mental health awareness workshops, and stress management training.

Financial Wellbeing: We offer financial planning sessions, insurance guidance, and partnerships with investment firms to help employees secure their financial future.

Social Wellbeing: Svatantra Microfin fosters camaraderie through POSH awareness, team-building activities, leadership offsites, and social events such as the Svatantra Premier League and Indoor Games Club.

Intellectual Wellbeing: We support leadership development through academic scholarships for leadership development. Svatantra Microfin has tie-ups with leading universities in India and overseas for executive programmes for the C-suite. In addition, management development training is conducted for junior, mid, and senior level managers.

Physical Wellbeing: The company offers comprehensive healthcare coverage, menstrual leave for women, fitness programmes, and nutrition education.

Parental Support: We offer maternity leave and flexible working arrangements for expectant and new mothers. The company also offers a 15-day paternity leave for new fathers.

Svatantra Cares is centered around creating a culture of openness, camaraderie, transparency, and care.

Comprehensive Talent Development

Svatantra Microfin's commitment to excellence is evident in its comprehensive learning programmes designed for employees. The company provides new hires with 30 days of intensive field and classroom training, followed by ongoing e-Gurukool refresher courses to ensure employees stay up-to-date. To foster a diverse skill set and perspective, we mandate regular rotation of portfolio and loan officers. This dedication to employee growth and satisfaction has resulted in an exceptionally low attrition rate within the industry.

To further incentivise performance, Svatantra rewards employees based on productivity, branch grading, and portfolio quality, fostering a culture of customer focus. The company's unique structure enables decentralisation in HR and administrative roles while ensuring strict adherence to financial and technology controls. The emphasis is on optimum productivity, customer trust, and safeguarding the interests of its clients.

Quick Facts*

Number of employees:
18,896**

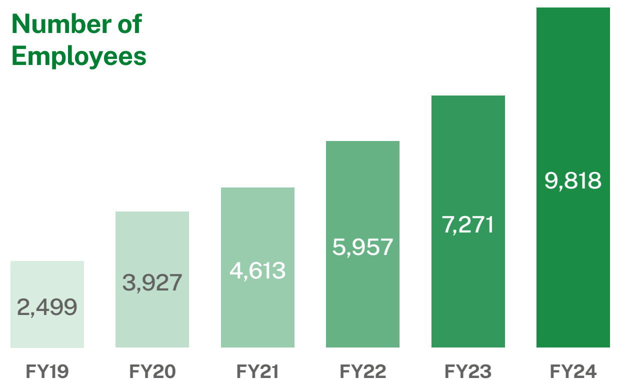
Diverse Employee Mix:
Over 95% of employees from rural areas
54% women in the senior leadership roles

Field-sales force:
7,731

ESOP holders:
150

FY24 new hires:
6,785

*As of March 31, 2024
** Svatantra Microfin and Chaitanya combined



Avant-Garde Case Study Competition

Svatantra Microfin's talent development initiatives extend to management school students as well. For the past nine years, the company has organised "Avant-garde", a case study competition for the country's leading business schools. This competition is held with a vision to encourage India's brightest minds from top tier Indian B-schools to brainstorm and design solutions addressing the real-life microfinance scenarios.

In its years of successful running, the competition has witnessed an overwhelming response of more than 700 registrations across renowned management institutes in India. The team presenting the winning case-solution gets an opportunity to be a part of the prestigious pre-placement interview (PPI) programme at the Aditya Birla Group and a prize amount of ₹ 2 lakh.

Industry-Leading Incentives and Rewards

We are committed to rewarding our employees for their hard work and dedication. Our competitive compensation packages and industry-leading incentives are designed to attract and retain top talent.

- **Competitive Compensation:** We offer competitive salaries and benefits packages that are aligned with market standards.
- **Performance-Based Incentives:** We recognise and reward outstanding performance through various incentive programs, including bonuses, promotions, and stock options (ESOPs). In fact, ESOPs. The company has offered ESOPs to 150 employees.
- **Employee Recognition:** We celebrate our employees' achievements and contributions through regular recognition programs and awards.

Svatantra Microfin's reputation as an employer brand is evident in the rapid growth of its employee strength. The number of employees increased by 35% on a year-on-years basis to 9,818 in FY24. This expansion is a reflection of testament to the company's strong financial performance, effective business strategies, and dedication to providing exceptional service to its clients.

A Great Place to Work

Our goal is to create a workplace where employees feel valued, supported, and inspired. We strive to provide a positive and inclusive work environment that fosters creativity, innovation, and personal growth.

The company actively engages employees through various initiatives, including team-building activities, offsites, and employee surveys.

We believe that a happy and engaged workforce is essential for our long-term success. Our efforts have been validated by the Great Place to Work Institute, which ranked Svatantra Microfin among the top 30 best workplaces in BFSI for 2020-21 and 2022-23.

Watch this video to get a glimpse of the daily work tasks at Svatantra Microfin through the eyes of Dinesh, a field officer of the company at Ajmer, Rajasthan.

Watch this video to find out why Abhijithraj, field officer, Mavelikara, Kerala, likes working at Svatantra Microfin.

Our unwavering commitment to fostering a positive and rewarding work environment has been a cornerstone of our success. This year, we continued to invest in our employees' growth and well-being, recognising their invaluable contributions to our organisation. Through competitive compensation packages, performance-based incentives, and a focus on employee development, we strive to create a workplace where individuals can thrive and reach their full potential.

What A Day At Svatantra Microfin Looks Like*

29 individuals join the workforce.

300-400 individuals receive on-the-job training.

1,321 rural women customers receive services, impacting 6,605 households.

At least 10-12 customers are introduced to SAKSHAM, our mobile app.

A rural women entrepreneur receives ₹ 5,000-60,000 as a loan.

At least 60-62 members are introduced to cashless digital banking.

*The numbers are the average of the total numbers achieved in a month.

A Showcase Of Excellence

Microfinance Company of the Year–2024
National Awards for Excellence in BFSI

Most Influential Microfinance Company of the Year–2023
Bharat NBFC & Fintech Summit and Awards, 2024

Gold Award Start Up
Skoch Financial Inclusion and Deepening Award, 2014

Fastest growing Indian Company Excellence Award
International Achievers Conference, 2015

Spirituality @ Work: Sach Bharat Samman
ASSOCHAM Sach Bharat Confluence, 2015

SKOCH Financial Inclusion and Deepening Award, 2017
SKOCH Financial Inclusion Awards, 2017

Best Mobile App, Leadership Award for Best Technology Initiative
BFSI CTO Summit, 2017

Excellence in Operations Award
IDC Insights, 2018

Innovative Indigenous App–SAATHI
The Economic Times BFSI Innovation Tribe Summit & Awards, 2020

Best Microfinance Company–2021
Inclusive Finance India Awards powered by HSBC

Top 30 Best Workplaces in BFSI: 2020-21, 2022-2023
Great Place To Work Institute (India)

Investing Into Our Communities

A world that is both sustainable and equitable necessitates a shift away from profit-driven motives for businesses. Svatantra Microfin is committed to making a positive impact on society and fostering meaningful connections with the community.

At our company, the commitment to corporate social responsibility is not just a legal obligation but also a necessity for contributing to India's holistic development. Our CSR efforts focus on animal welfare, mental health, education, and hunger eradication. By supporting these causes, we aim to make a meaningful difference in the lives of those around us.

Svatantra Microfin's CSR initiatives are operationalised through our partnership with the Ananya Birla Foundation. The Foundation advocates for diverse causes and fosters a welcoming, inclusive, and stigma-free community.

Quick Facts

Year	CSR Provision/Spends
FY22	₹ 73.46 lakh
FY23	₹ 99.33 lakh
FY24	₹ 1.80 crore

World For All

9,636 meals and medical care for **480 animals**.

Mpower

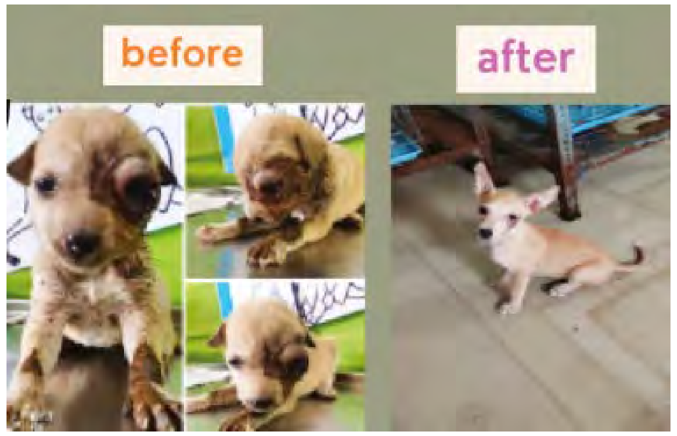
Positively impacted the lives of over **200 individuals** on a monthly basis.

Smile Foundation

The project has impacted the lives of **4,465 students** in **13 states**

We partner with a diverse group of not-for-profit organisations, including World For All, Mpower, Smile Foundation, VIMHANS, and Project Blank Slate, to implement our CSR initiatives. Here is a snapshot of our impact from each CSR activity:

1. **World For All: Treating strays with compassion**
   Our company joined hands with the animal welfare NGO to provide meals and medical care to stray animals. This included 9,636 meals and medical care for 480 animals. A memorable impact story was that of Henna, a three-week-old puppy separated from her mother, who had a medical emergency due to a maggot infestation. The NGO volunteers helped Henna access timely medical care and get adopted into a lovely home.



2. **Mpower: Counselling sans judgement**
   The organisation providing mental health services to underprivileged individuals has positively impacted the lives of over 200 individuals on a monthly basis. Prompt availability of counselling at affordable rates has helped break the stigma towards mental health and enables individuals to seek care from trained professionals.

3. **Smile Foundation: Education For All**
   The organisation's "Every Child In School" programme helped address educational disparity and ensured that children had access to quality education. The project has impacted the lives of 4,465 students in 13 states, through a series of initiatives such as teaching, digital learning, and community engagement. Subhashree, a second-grade student at Smile Foundation's Mission Education Centre-BTS in Sundarbans, West Bengal, is a prime example of the positive impact of our initiatives. Timely interventions helped her continue her education and inspire others to return to school.

4. **VIMHANS: Tech for mental health**
   The multi-speciality institute offering comprehensive mental health services undertook a project for digital transformation. The ongoing project focuses on improving access to mental health care through tele-counselling and tele-consultation. Extensive training modules for counsellors and outreach programmes have helped amplify its impact.

5. **Project Blank Slate: Delving into the roots of mental health**
   This project, an initiative of the Ananya Birla Foundation, engaged in a research activity to explore the reasons behind mental health concerns among women in rural Maharashtra. The research helped identify the stressors, triggers, barriers and also the preferred interventions.

These are just some of the ways we give back to the community. Svatantra Microfin is proud of the progress we have made in building an inclusive society and look forward to expanding our efforts in the years to come. Together with our employees, partners, and communities, we will continue to strive for an equitable future.

Leading The Way

BOARD OF DIRECTORS

Kumar Mangalam Birla
Non-Executive Director

Neerja Birla
Non-Executive Director

Ananyashree Birla
Non-Executive Director, Founder, Chairperson

Vineet Bijendra Chattree
Managing Director

Natarajan Girija Shankar
Independent Director

Meena Jagtiani
Independent Director

MANAGEMENT TEAM

Vineet Chattree
Managing Director
Over 23 years of experience spanning across operations and consulting with large corporates in India, Middle East, US and Europe.

Umang Shah
Vice President–Information Technology
Over 12 years of work experience in the field of technology.

Vrushali Mahajan
Chief Financial Officer
Qualified CA with over 22+ years of experience covering the banking sector and service industries.

Akruti Mashkaria
Vice President–Internal Audit
Qualified CA and CS with over 10 years of work experience as an internal auditor across organisations.

Kranti Sety
Senior President–Human Resource
Over 22 years of work experience in the human resource function.

Tarannum Pachigar
Vice President–Learning & Development
Over 16 years of work experience in learning and development.

Sahil Mehta
Senior President–Corporate Finance
Over 17 years of work experience in the microfinance and banking sector.

Vikas Kalibaug
Vice President–Risk
Qualified CA with over 21 years of work experience in internet audit and risk management.

Surinder Bhatia
Company Secretary and Chief Compliance Officer
Over 20 years of work experience in the legal and secretarial domains.

Shashikant Solaskar
Deputy Vice President–IT Security
Over 14 years of work experience in information technology.

Pranay Singh
Senior Vice President–Core Banking Solutions
Over 25 years of experience in developing core banking solutions in the microfinance and banking industry.

Micro Stories, Macro Impact

SCAN
this QR code to watch the video

A loan boost for a small business

"I started my readymade garments shop about four years ago, selling clothes for women and children. I took a loan from Svatantra Microfin to support and expand my business. The loan helped me scale my business and enabled it to grow bigger. Simultaneously, I have been able to support my family of my spouse and two children through my small business. My message to fellow women is to utilise such credit opportunities offered by organisations such as Svatantra and and pursue their entrepreneurial dreams, rather than sitting idle.**"**

— Animol, Ambalapuzha, Kerala

"I took a loan from Svatantra Microfin to support my readymade garments venture and the credit I received has helped my small business grow and scale sustainably."

Technology bridges the credit gap

"I am a mother and a businesswoman. I took a loan from Svatantra Microfin to start my business two years ago and since then I have been contributing to my family's livelihood alongside my husband. Svatantra's app Saksham has helped me keep track of my payments and loan schedules. I have never missed a single EMI and have been actively utilising the consumer facing app to pay by instalments. This is a big deal in a rural area where we women typically don't have access to smartphones. However, I decided to be a differentiator and learned about the technology and used it. It gave me confidence and aspiration.**"**

— Sakshee Sandeep Kale, Ambernath, Maharashtra

"I have never missed a single EMI of my Svatantra loan and have been actively utilising the consumer facing app to pay by instalments."

A partner in progress and prosperity

"I've been a loyal customer of Svatantra Microfin for many years, and I have always been impressed by their ability to meet my diverse financial needs. It all started with a group loan to set up my kirana shop, and now I also own a saree shop. I was one of the first customers to take advantage of their mediclaim policy and also took a home loan for toilet construction. My journey has been one of resilience and determination to improve my life and the lives of my loved ones. Results don't come that easy; it requires dedication and hard work. I am proud to say that I have been breaking my own benchmarks every single day.**"**

— Rekha Kailash Yamagavali, Amravati, Maharashtra

"It all started with a group loan to set up my kirana shop, and now I also own a saree shop."

Credit to press the restart button

"I was burdened with a huge debt after my husband's death. He had left behind a transport business that I had to take care of. Even though I had no idea where to begin, I took a contract job with an electrical equipment company. Simultaneously, I started looking for ways to restart my husband's transport business along with my brother, and pay back the debts. That's when I took a loan from Svatantra Microfin to enable a new financial beginning for my family. Life was challenging but with hard work, we were able to repay the debts and restart the business. Today, my son has taken over the business and is working hard to run it profitably.**"**

— Nanda Maruti Kokhale, Vadgaon, Pune, Maharashtra

"I took a loan from Svatantra Microfin to restart my late husband's transport business. Life was no doubt challenging but with hard work, we were able to repay the debts and start afresh."

Statutory Reports

Board's Report

Dear Members,

Your Directors takes pleasure in presenting the 13th Board's Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March 2024.

1. Financial Results And Operational Performance Of The Company

The highlights of the Consolidated and Standalone Financial Statements are detailed hereunder.

The financial performance of the Company for the Financial Year ended 31st March 2024 is summarized below:

(All amounts in ₹ Lakhs)

Particulars	Consolidated		Standalone	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Income				
Revenue from operations	2,19,835	-	1,73,065	1,36,697
Other Income	3,317	-	2,744	2,888
Less: Total Expenditure	1,79,369	-	1,45,927	1,22,361
Profit / Loss Before Tax	**43,783**	-	**29,882**	**17,224**
Less: Current Tax	12,915	-	9,365	9,019
Less: Deferred tax Expenses/(Credit)	(2,342)	-	(2,079)	(4,772)
Profit/Loss After Tax (A)	**33,210**	-	**22,596**	**12,977**
Other Comprehensive Income, Net of Tax				
Item that will not be reclassified to the statement of Profit and Loss	(1,345)	-	(1,360)	30
Less - Income tax Expense on above	339	-	342	(7)
Item that will be reclassified to Profit or Loss	(262)	-	-	-
Less - Income tax Expense on above	66	-	-	-
Other Comprehensive Income (B)	**(1,202)**	-	**(1,018)**	**23**
Total Comprehensive Income (A) + (B)	**32,008**	-	**21,578**	**13,000**

The operational highlights for the financial year 2023-24 are summarized in the following table:

Particulars	FY ended 31st March 2024	FY ended 31st March 2023	Increase/ Decrease over FY 2023-24 (in %)
Number of Branches	966	804	20%
Number of Active Clients	23,60,875	22,27,366	6%
Number of Employees	9,818	7,271	35.03%
Number of States	19	19	0%
Amount disbursed (INR in Lakhs)	6,22,480	6,28,600	-1%
Gross Loan Portfolio (INR in Lakhs)	7,72,457	7,49,940	3%

During the year under review the Company entered into Share Purchase Agreement ('SPA') dated 8th August 2023 with Chaitanya India Fin Credit Private Limited **("CIFCPL"),** Navi Finserv Limited and Navi Technologies Limited) for acquiring 100% of the total issued and paid-up equity share capital of CIFCPL by the Company from the existing shareholders of CIFCPL (including Navi Finserv Limited and Navi Technologies Limited) **("Transaction")**. The necessary approval for the transaction was obtained by CIFCPL from RBI vide its letter no. BLR.DOS.No.S 1338/08.04.010/2023-24 dated 25th September 2023. Pursuant to the approval the Company acquired 100% stake in CIFCPL and it became Wholly Owned Subsidiary of the Company w.e.f. 23rd November 2023.

Further, the Company had also entered in to Share Subscription and Purchase Agreement **("SSPA")** and Shareholders Agreement **("SHA")** dated 4th March 2024 with Violicina Limited (one of the entities of Advent International), Multiples Private Equity Fund III, Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV (collectively referred to as the **"Investors"**) for investment in following manner, subject to RBI and Competition Commission of India ("CCI") approval, in the Company:

i. secondary acquisition of 5% compulsorily convertible non-cumulative preference shares ("CCPS") of the Company by the Investors from the existing shareholders of the Company for an aggregate amount of ~INR 1,100 Crores; and
ii. primary infusion by the Investors pursuant to subscription of equity shares of the Company for an aggregate amount of ~INR 830 Crores.

The CCI has vide its letter dated 22nd May 2024 provided its approval for the aforesaid investment in the Company. The necessary application for approval from the RBI was made on 20th March 2024 and the same is awaited.

2. Brief Description Of The Company's Working During The Year/State Of Company's Affair

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Taking NBFC-MFI vide Registration No. N-13.02038 granted on 5th February 2013.

The Company's active loan clients stands out to be 23,60,875 as on 31st March 2024 which has grown from 22,27,366 as on 31st March 2023. The growth in active clients during the year under review was 6%.

This was possible with excellent efforts of 9,818 employees of the Company as on 31st March 2024 across 966 branches in 19 States. During the year under review, the Company opened 162 new branches and as on 31st March 2024 the Branch network was 966.

3. Dividend

Considering your Company's growth, future strategy and plans your Directors considered it prudent to conserve resources and do not recommend any dividend on equity shares for the financial year 2023-24. However, the Board of Directors of the company have declared an interim dividend @ 5% on compulsorily convertible non-cumulative preference shares ("CCPS") for the financial year ended 31st March 2024.

4. Transfer To Reserves

During the year under review, your Company has transferred Rs. 4,520 Lakhs to Statutory Reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

5. Change In Nature Of Business, If Any

During the year under review there was no change in the nature of business of the Company. However, the Company has received Corporate Agent (Composite) License by Insurance Regulatory and Development Authority of India vide its letter date 4th June 2024.

6. Public Deposits

The Company being a non-deposit taking NBFC-MFI has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

7. Material Changes And Commitments, If Any, Affecting The Financial Position Of The Company Which Have Occurred Between The End Of The Financial Year Of The Company To Which The Financial Statements Relate And The Date Of The Report

There were no material changes or commitments, which have occurred after the closure of the financial statements for the Financial Year 2023-24 till the date of this Report, that affect the financial position of the Company in any adverse way.

8. 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 were no significant or material orders passed by any Courts or Regulators or Tribunals during the Financial Year 2023-24 that in the opinion of the Board have an impact on the going concern status and the operations of the Company in the future.

9. Details Of Subsidiary/Joint Ventures/Associate Companies

The Company has one Wholly Owned Subsidiary namely Chaitanya India Fin Credit Private Limited as on date of Balance Sheet and the date of Report.

10. Statement Containing Salient Features Of The Financial Statements Of Subsidiary And Associate Companies

A report on the performance and financial position of the Company's Subsidiary and Associate companies as per Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, in the prescribed Form AOC-1 is attached as '**Annexure A**' to the Board's Report.

11. Capital Adequacy

The Capital Adequacy Ratio of the company was 18.54% as on March 31, 2024, as against the minimum capital adequacy requirements of 15% by Reserve Bank of India ("RBI").

12. Share Capital

a. **Authorised Share Capital of the Company:**
During the year under review, the authorized share capital of the Company has increased from Rs. 20,55,00,00,000/- (Rupees Two Thousand Fifty-Five Crores Only) consisting of 75,50,00,000 (Seventy-Five Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 13,00,00,000 (Thirteen Crores) Preference Shares of Rs. 100/-

(Rupees Hundred Only) each to Rs. 100,55,00,00,000/- (Rupees Ten Thousand Fifty-Five Crores Only) consisting of 47,55,00,00,000 (Four Hundred Seventy-Five Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 53,00,00,000 (Fifty-Three Crores) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

b. **Issued, Subscribed & Paid-up Share Capital of the Company:**
During the year under review, the issued, subscribed & paid-up share capital of the Company has increased from Rs. 907,04,68,750/- (Rupees Nine Hundred and Seven Crore Four Lakhs Sixty-Eight Thousand and Seven Hundred and Fifty only) to Rs. 20,07,04,68,750/- (Rupees Two Thousand and Seven Crore Four Lakhs Sixty-Eight Thousand and Seven Hundred and Fifty only). The details of the shares issued and allotted during the financial year are given hereunder:

Sr. No.	Name of Allotee	Type of Share Capital / Issue	Date of allotment	No. of securities allotted	Issue Price Per Security (In Rs.)	Amount
1.	IGH Holdings Private Limited	Preference Shares on Rights Basis	23.11.2023	11,00,00,000	100	1100,00,00,000
				11,00,00,000	**100**	**1100,00,00,000**

The entire Share Capital of the Company is held in dematerialized form.

13. Non-Convertible Debentures

During the year under review, the Company has not issued any Non-convertible Debentures.

14. Debenture Trustee Details

The Debenture Trustee details are as follows:

Catalyst Trusteeship Ltd. (Mumbai Corporate Office)
Contact No.: 022-49220520; Email: ComplianceCTL-Mumbai@ctltrustee.com.
Address: 901, 9th floor, Tower B, Peninsula Business Park Tower, Senapati Bapat Marg, Lower Parel, W, Mumbai, Maharashtra 400013.

15. Issue Of Shares Under Employee Stock Option Scheme

The Company has stock option plans under 'Svatantra Microfin Employee Stock Options Plan 2017 ("ESOP 2017") and 'Svatantra Microfin Employee Stock Options Plan 2022 ("ESOP 2022") for its employees. Details of Employee Stock Options as on 31st March 2024 are as follows:

Particulars	ESOP 2017	ESOP 2022
Number of options in force as on April 01, 2023	16,63,881	9,06,009
Number of options granted during the year	NIL	1,27,183
Number of options vested during the year	2,21,293	2,75,154
Number of options exercised during the year	NIL	NIL
Total number of shares arising as a result of exercise of option during the year	NIL	NIL
Options lapsed during the year	22,455	1,02,628
Exercise price	NA	NA
Variation of terms of options	NIL	NIL
Money realized by exercise of options	NIL	NIL
Total number of options in force	16,41,426	9,30,564

Employee wise details of the options granted during the year under review:

i. Key Managerial Personnel –

Name	Designation	ESOP 2017		ESOP 2022	
		Options Granted	Exercise Price	Options Granted (In Nos.)	Exercise Price
Mr. Vineet Bijendra Chattree	Managing Director (MD)	NIL	NIL	NIL	NIL
Mr. Anujeet Varadkar	Chief Executive Officer (CEO)	NIL	NIL	NIL	NIL
Ms. Vrushali Vishal Mahajan	Chief Financial Officer (CFO)	NIL	NIL	NIL	NIL
Mr. Surinder Kumar Bhatia	Company Secretary and Chief Compliance Officer	NIL	NIL	NIL	NIL

ii. Any employee who receives a grant of option in any one year of option amounting to 5% or more of options granted during that year –

In the Financial Year 2023-24	
Name of Employee	**No. of options granted**
NA	NIL

iii. Employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant -

In the Financial Year 2023-24	
Name of Employee	**No. of options granted**
NA	NIL

16. Disclosure Regarding Cost Records

The Company is not required to maintain cost records as specified by the Central Government under sub- section (1) of Section 148 of the Companies Act, 2013.

17. Statutory Auditors

The Members of the Company at the 10th Annual General Meeting ('AGM') has appointed M/s. BGJC & Associates LLP, Chartered Accountants, (ICAI Firm Registration no. 003304N/N500056) as the Statutory Auditors of the Company for the period of 3 (three) consecutive years from the conclusion of the AGM of the Company held on 30 th September, 2021, until the conclusion of the AGM of the Company to be held in the year 2024.

Further, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), were approved for appointment as statutory auditors of the Company in the Meeting of the Board of Directors held on 26th September 2024 for a continuous period of 3 (three) years, viz. FY 2024-25, FY 2025-26 and FY 2026-27, to hold office from the conclusion of the 13th AGM to be held for FY 2023-24 till the conclusion of the 16th AGM to be held for FY 2026- 27, subject to the approval of the shareholders in the ensuing AGM. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and RBI Guidelines to carry out the Statutory Audit of the Company.

18. Auditor's Report

M/s. BGJC & Associates LLP, Chartered Accountants, (ICAI Firm Registration no. 003304N/N500056) the Statutory Auditors of the Company who conducted the Statutory Audit for the financial year 2023-24 have submitted their report with unmodified opinion. The Notes on the Financial Statements refer to the report are self-explanatory and do not call for any further comments.

There are no qualifications or adverse remarks in the Auditor's Report which require any clarification/explanation.

19. Secretarial Audit

In pursuance to Section 204(1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed MMJB & Associates LLP to conduct Secretarial Audit for the financial year 2023-24. The Report for the financial year ended 31st March 2024, is annexed to this report as **"ANNEXURE B"**.

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/explanation.

20. Annual Return

In accordance with the provision 92(3) of the Companies Act, 2013, Annual Return of the Company can be accessed on the Company's website at the web link https://svatantramicrofin.com.

21. Directors And Key Managerial Personnel

a. Composition of Board of Directors:

During the year under review, the Board of Directors based on the recommendations of the Nomination and Remuneration Committee in its meeting held on 2nd June 2023 had appointed Mr. Vineet Bijendra Chattree as Managing Director of the Company for a period of 5 years with effect from 14th June 2023.

As on 31st March 2024, the Board of the Company is duly constituted as per the provisions of Companies Act, 2013, with the following as its Members:

Sr. No.	Name of Director	Designation
1	Mr. Kumar Mangalam Birla	Director
2	Mrs. Neerja Birla	Director
3	Ms. Ananyashree Birla	Chairperson & Director
4	Mr. Vineet Bijendra Chattree*	Managing Director
5	Mr. Natarajan Girija Shankar	Independent Director
6	Ms. Meena Jagtiani	Independent Director

*Appointed as Managing Director w.e.f. 14th June 2023.

All the Directors of the Company have diverse experience and specialized knowledge in various areas relevant to the Company.

b. Changes in the Composition of Board of Directors:

There were no changes in the composition of the Board of Directors of the Company during the financial year under review.

c. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013, a separate exercise was carried out to evaluate the performance of the Board, who were evaluated on parameters such as level of engagement and contribution and independence of judgment to safeguard the interest of the Company and its minority shareholders. The reports were scrutinized by the Nomination & Remuneration Committee. The Directors expressed satisfaction with the evaluation process.

d. Key Managerial Personnel:

In terms of the provisions of Sections 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the Key Managerial Personnel as on 31st March 2024:

Sr. No.	Name of Director	Designation
1	Mr. Vineet Bijendra Chattree*	Managing Director
2	Mr. Anujeet Varadkar**	Chief Executive Officer
3	Ms. Vrushali Vishal Mahajan	Chief Financial Officer
4	Mr. Surinder Kumar Bhatia	Company Secretary and Chief Compliance Officer

* Appointed as Managing Director w.e.f. 14th June 2023.
**Resigned and ceased to be Chief Executive Officer w.e.f. 23rd May 2024.

e. Declaration by Independent Director:

All Independent Directors have submitted their declaration of Independence, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold the highest standards of integrity.

22. Number Of Meetings Of The Board Of Directors

During the financial year ended on 31st March 2024, 10 (Ten) Meetings of the Board of Directors of the Company were held. The attendance of the Board of Directors in these meetings were as follows:

Sr. No.	No. of the Board Meeting	Date of Board Meeting	No. of Directors Present
1.	1/2023-24	13.04.2023	5
2.	2/2023-24	23.05.2023	4
3.	3/2023-24	14.06.2023	5
4.	4/2023-24	08.08.2023	6
5.	5/2023-24	09.08.2023	4
6.	6/2023-24	08.11.2023	4
7.	7/2023-24	17.11.2023	3
8.	8/2023-24	13.02.2024	4
9.	9/2023-24	04.03.2024	4
10.	10/2023-24	22.03.2024	4

Name of Director	No of Board Meetings during FY 2023-24		
	Held	Eligible to attend	Attended
Mr. Kumar Mangalam Birla	10	10	1
Mrs. Neerja Birla	10	10	3
Ms. Ananyashree Birla	10	10	9
Mr. Vineet Bijendra Chattree	10	10	10
Mr. Natarajan Girija Shankar	10	10	10
Ms. Meena Jagtiani	10	10	10

23. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of energy, technology absorption:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with rules framed thereunder in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

The Company has, however, used information technology extensively in its operations.

Foreign exchange earnings and outgo:

The Company neither had any foreign exchange earnings nor any outgo during the year under review.

24. Particulars Of Loans, Guarantees Or Investments

Details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 ("Act") are provided in notes to the financial statements and further the Company has not provided any guarantee under Section 186 of the Act.

25. Particulars Of Contracts Or Arrangements With Related Parties

During the financial year under review, there were no material related party transactions entered into by the Company that were required to be disclosed in form AOC-2. The details of the related party transactions are provided in the notes to the Annual Financial Statements.

The policy on Related Party Transactions as approved by the Board is hosted on website of the Company i.e. https://svatantramicrofin.com.

26. Corporate Social Responsibility

In accordance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 read with rules made thereunder the Company have constituted a Corporate Social Responsibility (CSR) Committee, which comprises of the following Members:

Sr. No.	Name of Director	Designation
1	Ms. Ananyashree Birla	Chairperson & Director
2	Mrs. Neerja Birla	Director
3	Ms. Meena Jagtiani	Independent Director
4	Mr. Vineet Bijendra Chattree	Managing Director

The CSR Policy of the Company is available on the website of the company at https://svatantramicrofin.com/ and the initiative undertaken by the Company on CSR activities are set out in "**ANNEXURE C**" and forms part of this Report.

27. Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013 read with guidelines issued by Reserve Bank of India in this regard, the Company has an Audit Committee consisting of the following Members:

Sr. No.	Name of Director	Designation
1	Mr. Natarajan Girija Shankar	Chairperson & Independent Director
2	Ms. Meena Jagtiani	Independent Director
3	Mr. Vineet Bijendra Chattree	Managing Director

The scope of the Audit Committee is in line with the provisions of the Companies Act, 2013 read with relevant RBI Guidelines and during the financial year all the recommendations made by the Audit Committee were accepted by the Board.

28. Nomination And Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with guidelines issued by Reserve Bank of India in this regard, the Company has a Nomination and Remuneration Committee consisting of the following Members:

Sr. No.	Name of Director	Designation
1	Ms. Meena Jagtiani	Chairperson & Independent Director
2	Ms. Ananyashree Birla	Director
3	Mr. Natarajan Girija Shankar**	Independent Director
4	Mr. Vineet Bijendra Chattree*	Managing Director

*Mr. Vineet Bijendra Chattree, Managing Director of the Company ceased to be the Member of the Committee w.e.f. 8th November 2023.
**Mr. Natarajan Girija Shankar, Independent Director of the Company was appointed as Member of the Committee w.e.f. 8th November 2023.

The Scope of Nomination and Remuneration Committee is in line with the provisions of the Companies Act, 2013 read with relevant RBI Guidelines and the policy made thereunder.

29. Other Committees

The Board of Directors has also constituted the following Committees in accordance with the provisions of the Companies Act, 2013 and RBI Guidelines.

1. Risk Management Committee
2. Stakeholders Relationship Committee
3. IT Strategy Committee
4. Asset-Liability Management Committee
5. Customer Service Committee
6. Borrowing Committee

30. Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis;

e. the Directors had 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 had laid down internal financial controls to be followed by the company, and that such internal financial controls are adequate and were operating effectively.

31. Details Of Establishment Of Vigil Mechanism/ Whistle Blower For Directors And Employees

The Company has adopted the Vigil Mechanism system/Whistle Blower Policy with a view to provide a formal mechanism to the directors and employees of the Company to report their concerns about unethical behavior, actual or suspected fraud amongst others. The Policy provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee.

The Vigil Mechanism system/ Whistle Blower Policy is available on the Company's website at https://svatantramicrofin.com/.

32. Management Discussion And Analysis

The Management Discussion and Analysis Report for the year under review is presented in "**Annexure D**", which forms part of this report.

33. Corporate Governance

The Company strives to adopt and adhere to the highest standards of Corporate Governance principles and is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. Accordingly, the Company has put in place various policies, systems and processes to achieve transparency, high levels of business ethics and compliance with applicable laws. The Board and other Committees of Board ensures the high standards of transparency and accountability in all its activities and in discharging the Company's responsibilities towards all stakeholders and the community at large.

The Corporate Governance Report in the format as prescribed by Reserve Bank of India is attached with the Directors' Report as **Annexure E**.

34. Code Of Conduct For Insider Trading

The Company has put in place a Code of Conduct and Fair Disclosure for Prohibition of Insider Trading for its designated persons in compliance with SEBI (Prohibition of Insider Trading) Regulations 2015. This Code is to regulate, monitor and report the trading in the Company's securities by the designated persons of the Company. The Code of Conduct for Prohibition of Insider Trading is available on the website of the Company at https://www.svatantramicrofin.com/policies-and-code.

35. Fair Practice Code

The Company has in place a Fair Practice Code (FPC) approved by the Board in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company at https://www.svatantramicrofin.com/policies-and-code.

36. Customer Grievances

The Company has a dedicated Customer Grievance team for receiving and handling customer complaints/ grievances and ensuring that the customers are treated fairly and without any bias at all times. All issues raised by the customers are dealt with courtesy and redressed expeditiously.

37. RBI Ombudsman

The company has a dedicated team which deals with the concerns or complaints raised by the customers. Further, in accordance with the RBI Circular dated November 15, 2021, on "Appointment of Internal Ombudsman by Non-Banking Financial Companies (NBFCs)", as amended, the Company has an Internal Ombudsman (IO) being the apex of the grievance redressal mechanism of the Company. The IO deals with the complaints of its customers which are partly or wholly rejected by the Company.

38. Grading And Credit Rating

During the financial year under review, the Credit Rating Agencies have assigned the following credit ratings to various instruments/ facilities issued by the Company:

Sr. No.	Particulars	Current Rating
1	MFI Grading	M1(SMERA)
2	Bank loan rating	CRISIL AA-(stable)
3	Bank loan rating	CARE AA-(stable)
4	Subordinated Debt/ of INR 155 Crores	CRISIL AA-(stable)
5	Subordinated Debt of INR 125 Crores	CRISIL AA-(stable)
6	Non-Convertible Debentures of INR 90 Crores	CRISIL AA-(stable)
7	Non-Convertible Debentures of INR 350 Crores	CRISIL AA-(stable)
8	Non-Convertible Debentures of INR 70 Crores	CRISIL AA-(stable)
9	Short Term Debt of INR 100 Crores	CRISIL A1+
10	Subordinated Debt of INR 75 Crores	CRISIL AA-(stable)
11	Subordinated Debt of INR 75 Crores	Withdrawn
12	Subordinated Debt of INR 75 Crores	Withdrawn
13	Non-Convertible Debentures of INR 50 Crores	Withdrawn
14	Non-Convertible Debentures of INR 100 Crores	CARE AA – (stable)
15	Subordinated Debt of INR 50 Crores	CRISIL AA-(stable)
16	Commercial paper of INR 700 Crores	CRISIL A1+

39. Risk Management

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee will be responsible for reviewing the risk management plan, ensuring its effectiveness and verifying adherence to various risk parameters. The Company's Risk Management Strategy is based on a clear understanding of various risks, disciplined risk assessment and continuous monitoring. The Risk Management Committee reviews various risks to which the organization is exposed including Credit Risk, Interest Rate Risk, Liquidity Risk and Operational Risk. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis in **Annexure D** which is a part of this report.

40. Internal Audit

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. The Risk based internal audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

41. Internal Financial Controls

A benchmark of internal control system, based on suitable criteria, is in place to enable the management to assess and state adequacy of and compliance with the system of internal control and its operating effectively. Internal control of the Company is a well-defined process designed to facilitate and support the achievement of business objectives. The system of internal control is integral to the activities of the Company and based on a consideration of significant risks in operations, compliance and financial reporting.

The Company has an effective internal control process effected by its people that supports the organization in several ways, enabling it to provide reasonable assurance regarding risk and to assist in the achievement of objectives.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of the accounting record and timely preparation of reliable financial disclosures.

42. Compliance With Secretarial Standards

The Company is in compliance with the relevant Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) and notified by Ministry of Corporate Affairs.

43. Particulars Of Managerial Remuneration

The Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as the Company is not a listed Company under the Companies Act, 2013.

44. Disclosures Under Sexual Harassment Of Woman At Workplace (Prevention, Prohibition & Redressal) Act, 2013

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs against sexual harassment are conducted across the organization.

Further, the Company has the Internal Complaint Committee in place as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 to address the sexual harassment cases and no complaints were received during the period under review.

45. Other Disclosures

a. **Details of Frauds reported by the Statutory Auditors under Section 143 (12) of the Companies Act, 2013 during the Financial Year:**
   During the year under review, no frauds were reported by the Statutory Auditors, requiring intimation under Section 143 (12) of the Companies Act, 2013, for the Company and therefore no details are required to be disclosed under Section 134(3) (ca) of the Companies Act, 2013.

b. **Sweat Equity Shares issued during the Year:**
   The Company has not issued any Sweat Equity Shares during the Financial Year under review.

c. **There has not been any revision in the financial statements.**

d. **The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2023-24 for recovery of outstanding loans against any customer being Corporate Debtor.**

e. **The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.**

46. RBI Guidelines

The Company is registered with the Reserve Bank of India as NBFC-MFI within the provisions of the section 45-IA of the Reserve Bank of India Act, 1934. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

Disclosures under RBI Guidelines

The relevant disclosures applicable under the RBI Master Directions have been made in the Annual Financial Statements for the financial year ended 31st March 2024. During the financial year under review, no penalties have been imposed on the Company by any of the regulatory authorities as applicable to the Company.

Scale Based Regulations

Pursuant to RBI circular on Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended from time to time the Company was categorised as NBFC-Middle Layer (“NBFC’ML”) and it continues to be under the same category till date. Further as prescribed in SBR, the Company is in adherence to the liquidity risk management guidelines. The disclosure on liquidity risk, on a quarterly basis, is also uploaded on website of the Company and details of the same are separately disclosed in the notes to the financial statements forming part of this Annual Report.

47. Acknowledgements

The Board of Directors of the Company takes this opportunity to express its deep and sincere gratitude for the support and co–operation from the Borrowers, Banks, Financial Institutions, Investors, and Employees of the Company, for their consistent support and encouragement to the Company. The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the Management and the Employees of the Company and thanks them for yet another excellent year. Their dedication and competence have ensured that the Company continues to be a significant player in the Microfinance industry.

FOR SVATANTRA MICROFIN PRIVATE LIMITED

Date: 26th September 2024
Place: Mumbai

Sd/-
ANANYASHREE BIRLA
(CHAIRPERSON)
DIN: 06625036

ANNEXURE - A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing Salient Features Of Financial Statement Of Subsidiaries As Per Companies Act, 2013

Subsidiaries Of The Company (Rs. In Lakhs, except per share data)

Sr. No.	(1)
Name of the subsidiaries	Chaitanya India Fin Credit Private Limited
The date since when subsidiary was acquired	23 November 2023
Reporting currency	INR
Share capital (Equity)	32,403
Reserve & surplus (Other Equity)	93,858
Total assets	5,82,068
Total Liabilities	4,72,443
Investments	11,560
Turnover/Total income	47,344
Profit/(Loss) before taxation	13,653
Provision for taxation	3,224
Profit/(Loss) after taxation	10,429
Proposed dividend	-
Extent of Shareholding (in percentage)	100%

Note: There are no associate companies / joint ventures of the Company.

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Ananyashree Birla
Director
DIN No. 06625036

Sd/-
Vineet Bijendra Chattree
Managing Director
DIN No. 07962531

Sd/-
Vrushali Mahajan
Chief Financial Officer

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227

Date: 26th September 2024
Place: Mumbai

ANNEXURE - B

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Svatantra Microfin Private Limited
Sunshine Tower, Level 20, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400013, Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Svatantra Microfin Private Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:
Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (hereinafter called the 'audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings **(Foreign Direct Investment and Overseas Direct Investment is Not Applicable to the Company during the audit period)**

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(Not Applicable to the Company during the audit period)

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the audit period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ('ILNCS Regulation') **(Not Applicable to the Company during the audit period)**

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the audit period**) and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the audit period)**

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder, to the extent applicable to the Company.

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

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

Reserve Bank of India Master Direction/Guidelines, as applicable to Non-Banking Financial Companies, including the following:

1. The Reserve Bank of India Act, 1934.
2. Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
3. Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.
4. Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 and

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (the Company has complied with proviso to Section 173(3) of the Act where meeting was convened at a shorter notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy shall read in context of reporting as specified in the report.

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

1. has taken shareholders' approval by way of Ordinary Resolution in extraordinary general meeting held on October 20, 2023 for increase in the authorized share capital of the Company from ₹ 20,55,00,00,000/- consisting of 75,50,00,000 Equity Shares of ₹ 10/- each and 13,00,00,000 Preference Shares of ₹ 100/- each to ₹ 100,55,00,00,000/- consisting of 475,50,00,000 Equity shares of ₹ 10/- each and 53,00,00,000 Preference Shares of ₹ 100/- each (Rupees Ten only) and consequently, amended Clause V of its Memorandum of Association of the Company.

2. has taken shareholders' approval by way of Special Resolution in extraordinary general meeting held on August 22, 2023 for the following transactions:

   a) alteration of Articles of Association of the Company giving powers for appointment of nominee director on the board of the Company on receipt of nomination by Debenture Trustee.
   b) Approving limits for investments, giving loans, guarantees and securities under section 186 of the Act.

3. issue and allotment of 11,00,00,000 5% Compulsorily Convertible Preference Shares (CCPS) at a face value of ₹100 per share amounting to ₹1100,00,00,000.

4. acquired entire stake of Chaitanya India Fin Credit Private Limited from Navi Technologies Limited and Navi Finserv Limited on November 23, 2023.

MMJB Associates & LLP
Company Secretaries

Date: September 05, 2024
Place: Mumbai

Sd/-
Deepti Kulkarni
Designated Partner
ACS: 34733
CP: 22502
PR: 2826/2022
UDIN: A034733F001152927

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

ANNEXURE - A TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Svatantra Microfin Private Limited
Sunshine Tower, Level 20, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400013, Maharashtra, India.

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

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

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

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

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

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

MMJB Associates & LLP
Company Secretaries

Date: September 05, 2024
Place: Mumbai

Sd/-
Deepti Kulkarni
Designated Partner
ACS: 34733
CP: 22502
PR: 2826/2022
UDIN: A034733F001152927

ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2023-24

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

CSR Policy of the Company is enunciated in accordance with Section 135 of Companies Act, 2013 read with Corporate Social Responsibility Rules, 2014 (as amended from time to time) and CSR Voluntary Guidelines issued by Ministry of Corporate Affairs.

In line with the CSR Policy and in accordance with Schedule VII of the Act, the Company proposes to undertake suitable projects in the field of promotion of healthcare, including preventive health care and sanitation and disaster management, education, women empowerment, humanitarian relief and other areas.

The objective of the company's CSR policy is to lay down guiding principles for proper functioning of CSR activities to attain sustainable development of the nearby society. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Ananyashree Birla	Chairperson & Director	1	0
2.	Mrs. Neerja Birla	Director	1	0
3.	Ms. Meena Jagtiani	Independent Director	1	1
4.	Mr. Vineet Bijendra Chattree	Managing Director	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee: https://www.svatantramicrofin.com/list-of-committees
CSR Policy: https://www.svatantramicrofin.com/pdf/CSRpolicy.pdf
CSR Projects: https://www.svatantramicrofin.com/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

N.A.

5. (a) Average net profit of the company as per sub section (5) of section 135.
Rs 90,61,88,885

(b) Two percent of average net profit of the company as per sub section (5) of section 135.
Rs. 1,81,23,778

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
NIL

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

(e) Total CSR obligation for the financial year [(b) + (c) – (d)].
Rs. 1,81,23,778

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
Rs. 48,50,000

(b) Amount spent in Administrative Overheads.
NIL

(c) Amount spent on Impact Assessment, if Applicable.
N.A.

(d) Total Amount Spent for the Financial Year [(a)+(b)+(c)].
Rs. 48,50,000

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-section (5) of section 135.		
	Amount (in Rs.)	Date of transfer	Name of the Fund	Amount	Date of transfer
48,50,000	1,32,75,000	29/04/2024	N. A.	Nil	N. A.

(f) Excess amount for set-off, if any:.

S. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1,81,23,778
(ii)	Total amount spent for the Financial Year	48,50,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amt. (in Rs)	Date of Transfer		
1	2022-23	73,00,000	59,855	72,40,145	NIL	N.A.	59,855	N.A.
2	2021-22	36,00,000	0	0	NIL	N.A.	NIL	N.A.
3	2020-21	35,50,000	0	0	1,41,646	15.04.2024	0	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ● No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Sub- section(5) of Section 135.

The Company has approved CSR expenditure of Rs. 1,81,23,778/- (i.e. two percent of the average net profit of the last three financial years) for the financial year 2023-24 and out of the same, it made CSR expenditure of Rs. 48,50,000/- in the F.Y. 2023-24.

Further the CSR Committee during the financial year 2023-24 identified few ongoing projects for CSR to be undertaken during the course of next three Financial Years and accordingly transferred Rs. 1,32,75,000 /- to the Unspent CSR account of the Company.

For Svatantra Microfin Private Limited

Sd/-
ANANYASHREE BIRLA
(CHAIRPERSON - CSR COMMITTEE)
DIN: 06625036

Sd/-
VINEET BIJENDRA CHATTREE
(MANAGING DIRECTOR)
DIN: 07962531

Date: 26th September 2024
Place: Mumbai

ANNEXURE D

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview:

As per the provisional estimates of annual national income 2023-24 as published by the National Statistical Office for the financial year 2023-24, the growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. Nominal GDP has witnessed a growth rate of 9.6% in FY 2023-24 over the growth rate of 14.2% in FY 2022-23.

The Regulatory framework on Microfinance loan was announced by Reserve Bank of India on 14th March 2022 vide RBI Circular no. RBI/DOR/2021-22/89/DoR.FIN.REC.95/03.10.038/2021-22 read with Master Direction on Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, including any amendments thereto. The Regulatory framework on microfinance loan came subsequent to the Consultative Document released by the RBI in June 2021 with the purpose to harmonise the guidelines for microfinance loans. The regulation is applicable to all regulated entities and has created a level playing field, which will encourage healthy competition and challenge regulated entities to innovate and become more efficient, and in the process protect and benefit the clients while furthering the achievement of financial inclusion.

The 'Regulatory Framework for Microfinance Loans, 2022' also helps the NBFC-MFIs to price the risk adequately and enhance the product diversification thereby improve their capability to offer bouquet of products to lower income segment borrowers through their reach in the deeper rural parts of the country.

Microfinance In India

Microfinance sector plays significant role towards Financial inclusion. The microfinance sector contributed 2.03% to India's Gross Value Added (GVA) in 2018-19. A study by the National Council of Applied Economic Research (NCAER) and MFIN projects that the microfinance sector's contribution to GVA will increase to 2.7% in the base case scenario and nearly 3.5% in the best-case scenario by 2025-26. The sector aims to assist communities of the economically excluded segment, especially in rural India, to achieve greater level of asset creation and income security at the household and community level. The sector empowers rural women entrepreneurs and helps them become independent, they in turn contribute directly to the well beings of their families and sustainable economic growth.

According to Microfinance Institutions Network (MFIN) Report as on 31st March 2024 which is based on data collected from 48 out of 51 NBFC–MFI members, 4.3 Crore clients have loan outstanding from NBFC-MFIs, which is 19.4 % higher than number of clients as on 31st March 2023. The Asset Under Management (AUM) of MFIs is Rs 1,56,884 Crore as on 31st March 2024, including owned portfolio Rs 1,26,243 Crore and managed portfolio (off BS) of Rs 30,641 Crore. The owned portfolio of MFIN members is about 73.9% of the NBFC-MFI universe portfolio of Rs 1,70,903 Crore. On a YoY basis AUM has increased by 29.5% as compared to 31st March 2023 and by 10.5% in comparison to 31st December 2023. The loan amount of Rs 1,38,297 Crore was disbursed in FY 23-24 through 3.1 Crore accounts, including disbursement of owned as well as managed portfolio which is 24.4% higher than the amount disbursed in FY 22-23. The average loan amount disbursed per account during FY 23-24 was Rs 45,024/- which is an increase of around 9.9% in comparison to the last financial year.

As on 31st March 2024, the borrowings outstanding of NBFC-MFI were Rs 1,11,542 Crore. Banks contributed 61.4% of borrowings O/s followed by 19.9% from non-bank entity, 10.3% from AIFIs and 6.1% from External Commercial Borrowings (ECB) and 2.2% from other sources. During FY 23-24, NBFC-MFIs received a total of Rs 89,308 Crore in debt funding, which is 29.1% higher than FY 22-23. Banks contributed 69.7% of the total Borrowing received followed by non-bank entities 14.8%, AIFIs 7.9%, ECB 4.1% and Others 3.5%.

The total equity of NBFC-MFI as on 31st March 2024, grew by 39.0% as compared to end of FY 22-23 and is at Rs 34,435 Cr as on 31st March 2024. Portfolio at Risk (PAR)>30 days as on 31st March 2024 has improved to 3.4% as compared to 3.9% as on 31st March 2023. MFIs have presence in 27 states and 5 union territories. In terms of regional distribution of portfolio

(AUM), East and North-East account for 32% of the total NBFC-MFI portfolio, South 27%, North 16%, West 15%, and Central contributes 9%.

16 Large NBFC MFIs account for 91.8 % of Asset under management (AUM). 89.9% of the outreach (client base) and about 91.6% of the Loan amount disbursed. As on March 20204, the Portfolio (AUM) distribution:

1. East and North East: 32%
2. South: 27%
3. West: 16%
4. North:16%
5. Central: 9%

Bihar, Uttar Pradesh, Tamil Nadu, Karnataka and Maharashtra are the largest states in terms of Loan outstanding and represent 57.9% of the AUM.

Company Overview

Svatantra Microfin Private Limited is a registered NBFC–MFI promoted by Ms. Ananyashree Birla as a new age microfinance entity leveraging technology to create transgenerational impact in the lives of the underserved segment of India.

Svatantra's unwavering commitment to responsible lending has been a driving force behind its phenomenal growth. The vision behind the initiative is that financially independent and self-sufficient households will fuel India's economic growth. The company offers tailored and accessible credit solutions, catalyzing the entrepreneurial aspirations of Indians. The company aims to harness the power of digital technology to lend efficiently and prudently and aspire to deliver responsible and sustainable financial solutions to build a more prosperous India. The Company's responsibilities extend beyond financial support to educating clients on financial literacy.

During the year under review the Company entered into Share Purchase Agreement ('SPA') dated 8th August 2023 with Chaitanya India Fin Credit Private Limited ("CIFCPL"), Navi Finserv Limited and Navi Technologies Limited) for acquiring 100% of the total issued and paid-up equity share capital of CIFCPL by the Company from the existing shareholders of CIFCPL (including Navi Finserv Limited and Navi Technologies Limited) ("Transaction"). The necessary approval for the transaction was obtained by CIFCPL from RBI vide its letter no. BLR.DOS. No. S 1338/08.04.010/2023-24 dated 25th September 2023. Pursuant to the approval the Company acquired a 100% stake in CIFCPL, and it became Wholly Owned Subsidiary of the Company w.e.f. 23rd November 2023.

Chaitanya India Fin Credit Private Limited is a wholly subsidiary of Svatantra Microfin Private Limited.

The Company has demonstrated the success and scalability of its business model by providing micro-credit to women borrowers across 19 states. The active customer base of the Company (on standalone basis) comprises of around 23.60 Lakhs women customers as on 31st March 2024. As per the financial as on 31st March 2024, the total income of the Company was Rs 1,758.09 Crore with a Profit after tax (PAT) of Rs. 225.96 Crore. The Company has been rated CRISIL AA- (stable) for its borrowings and for Non-Convertible Debentures issued. The CRAR of the Company as per the financials as on 31st March 2024, was 18.54% against the minimum regulatory requirement of 15% for NBFC-MFI.

As per the financial as on 31st March 2024, the total income of the Company on consolidated basis was Rs. 2198.35 Crore with a Profit after tax (PAT) of Rs. 332.10 Crore.

During the financial year 2023-24, the Company (on standalone basis) has disbursed Rs. 6,224.80 Crores to microfinance borrowers through JLG model. The Company's (on standalone basis) Gross Loan Portfolio as on 31st March 2024, is Rs. 7,724.57 Crores with the network of 966 Branches across 19 States.

Svatantra has a strong pedigree of Promoters, Board Members & Management team who are involved in building a successful enterprise. As on 31st March 2024, the Company (on standalone basis) the total share capital was Rs. 2,007.05 Crores and the Net-worth was Rs. 2,465.97 Crores.

As on 31st March 2024, the Company (Consolidated basis) the Net-worth was Rs. 2,584.87 Crores.

Competitive Strengths and Key Strategies

A: Diversified Portfolio and market leadership

The Top seven states on stand-alone basis and combined basis account 82.88 % of the AUM as on 31st March 2024.

Key States	SMPL (% AUM)	CIFCPL (% AUM)	Combined (% AUM)	Markets share on combined basis (%)
Bihar	22.77%	18.37%	20.72%	4.58%
Uttar Pradesh	13.05%	20.10%	16.33%	5.14%
Maharashtra	16.37%	13.06%	14.83%	6.58%
Karnataka	1.57%	28.26%	13.98%	4.78%
Madhya Pradesh	9.61%	3.61%	6.82%	4.01%
Jharkhand	9.92%	0.00%	5.31%	1.92%
West Bengal	3.80%	6.11%	4.87%	5.40%

On a combined basis the company has a significant market share in its key states' creation a base for future growth. The diversified portfolio not only provides larger reach but also aids company to manage the concentration risk. The company has a robust risk management framework and one of the key parameters includes limiting its exposure at a district as well as at village level.

B: Customer centric product and policies

The products and policies of the company remain customer centric. The company provides loans to deep rural borrowers. The company was amongst the first NBFC-MFI which made cashless disbursements since its inception in 2013 to further the cause of financial inclusion. Further the company has a unique customer-based App to provide real time connection and transparency of loan related information. The company while disbursal of loans at doorstep to ensure that the training to borrower and her household is conducted detailing the product, repayment schedules, regulatory and legal aspects and apprising them about their rights and grievance mechanism.

The company has adopted state of at customer grievance redressal mechanism (CGRM) which has deploys a unique IT platform to capture customer queries and complaints, provide timely and comprehensive redressal and help company to create analytics to constantly learn and improve its processes.

C: Human Resources

We at Svatantra Microfin Private Limited are committed to fostering a collaborative, transparent and participatory organizational culture. Our Human Resource Management is focused on helping our employees to advance in their careers and enhance their talents. The primary goal was to ensure successful employee engagement, well-being and long-term motivation levels in the new hybrid work paradigm.

The Company has a robust organization structure wherein 9,818 employees are engaged as on 31st March 2024 across a network of 966 Branches in 19 States.

The company takes pride in the fact that the senior management team has an average tenor of more than 7 years and they have been partners in Svatantra growth story since inception. Further upon combination with CIFCPL, the company now has a pool of exemplary leadership and business talent to drive core operation and continue on path of impactful growth creating a valuable franchise.

The company as a policy recruits freshers as field officers, rural youth, and provide them with one month of structured (classroom + field) training. Further the company is an equal opportunity employer with a meritocratic culture, and it endeavors that first preference towards promotion is provided to existing employees. The company not only offers best of employee benefits such as Medical, Accident and Life insurance but also is first in the industry to support employees towards mental health, menstrual leave amongst others.

Outlook For 2024-25

Based on Asset Under Management (AUM), SMPL along with its subsidiary CICPL is the second largest NBFC-MFI in India. The portfolio quality is amongst the best and most diversified in the country. The scale, availability of talent and superior network provides company all the key tenets to continue sustainable growth with highest portfolio quality and superior profitability.

Risk And Concerns

The Company, being in microfinance sector, remains exposed to various risks such as credit risk, economic risk, interest rate risk, liquidity risk, cash management risk, technology risks and other idiosyncratic risks. The Company has robust enterprise risk management framework (ERM) that involves risk identification, risk assessment, and risk mitigation planning. The company has adopted all four key pillars of governance: Risk Officer, Internal Audit, IT risk, and Secretarial and Compliance. The robust ERM framework, combined with Risk Based Audit conducted by a large pan India team and state of art technology and business analytics team helps company to proactive identify, manage and mitigate risks.

The Company has put in place adequate checks by complying with the regulations framed by RBI which are applicable to the Company.

The Board of Directors has constituted a Risk Management Committee. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan, and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identifying, assessing, aggregating, reporting, and monitoring the risk related to their respective areas/functions. The Company has taken Directors and Officers insurance policy cover to mitigate legal risks to Directors and senior management.

The Company is regulated by Reserve Bank of India which has stipulated certain regulations to be followed by every NBFC-MFI.

Funding Trends

Company is amongst the highest rated NBFC-MFI and has been able to garner confidence from its lenders, mix of public sector and private sector banks, NBFC and DFIs to obtain most cost-efficient support to serve its customers. Further the company has a good mix of liabilities in the form of term loans, NCDs, ECBs and others.

The outstanding borrowing Funding as on 31st March 2024 is as under:

	Number of Lenders	31st March 2024 (In Rs Crores)
Public Sector banks	7	1,427.60
Private sector Banks	24	3,570.78
DFI/ NBFCs	9	1,054.79
NCDs/ ECBs	6	637.40
Securitization / Direct assignment (sold portion)	7	1,000.34

Internal Control And Its Adequacy:

The Company believes that a strong internal control system and process play a crucial role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee.

At Svatantra, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices and statutes considering the organization's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profile, including scientific and development risks, partner interest risks, commercial and financial risks.

For Svatantra Microfin Private Limited

Date: 26th September 2024
Place: Mumbai

Sd/-
ANANYASHREE BIRLA
(CHAIRPERSON)
DIN: 06625036

ANNEXURE - E

CORPORATE GOVERNANCE REPORT

The following disclosures in the Corporate Governance Report for the Financial Year 2023-24 is in pursuance to the **Master Direction** DoR.FIN.REC. No.45/03.10.119/2023-24, October 19, 2023, on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs.

1. Composition Of The Board

Sr. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships*	Remuneration			No. of shares held in and convertible instruments held in the Company
					Held	Attended		Salary and other compen sation	Sitting Fee (In Rs.)	Comm ission (In Rs.)	
1.	Mr. Kumar Mangalam Birla	06/03/2012	Non-executive Director	00012813	10	1	14	Nil	Nil	Nil	Nil
2.	Mrs. Neerja Birla	17/02/2012	Non-executive Director	01020533	10	3	8	Nil	Nil	Nil	21,00,000
3.	Ms. Ananyashree Birla	17/07/2013	Chairperson	06625036	10	9	11	Nil	Nil	Nil	20,78,46,874
4.	Mr. Natarajan Girija Shankar	28/03/2022	Independent Director	07960781	10	10	2	Nil	4,00,000	Nil	Nil
5.	Mr. Vineet Bijendra Chattree**	10/10/2017	Executive Director **	07962531	10	10	2	Nil	Nil	Nil	Nil
6.	Ms. Meena Jagtiani	28/03/2022	Independent Director	08396893	10	10	5	Nil	3,00,000	Nil	Nil

* No. of other Directorships include Private, Public and Section 8 Companies.
* None of the Directors hold Directorship in more than 10 Public Companies.
** Appointed as Managing Director w.e.f. 14.06.2023

Details of change in composition of the Board during the current and previous Financial Year:

Sr No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1.	Mr. Vineet Bijendra Chattree	Executive Director	Appointment	14.06.2023

There is no inter-se relation among the Independent Directors of the Company.

2. Committees Of The Board And Their Composition

1. AUDIT COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Natarajan Girija Shankar	20.04.2022	Chairperson – Independent Director	4	4	Nil
2.	Ms. Meena Jagtiani	20.04.2022	Independent Director	4	4	Nil
3.	Mr. Vineet Bijendra Chattree*	10.10.2017	Executive Director	4	4	Nil

* Appointed as Managing Director w.e.f. 14.06.2023.

Terms of Reference of the Audit Committee includes:

a. The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
b. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
c. Examination of the financial statement and the auditors' report thereon.
d. Reviewing with the management, the quarterly/half yearly/annually financial results / statements before the submission to the board for approval.
e. Review of changes, if any, in accounting policies and practices and reasons for the same.
f. Approval or any subsequent modification of transactions of the company with related parties.
g. Scrutiny of inter-corporate loans and investments.
h. Valuation of undertakings or assets of the company, wherever it is necessary.
i. Evaluation of internal financial controls and risk management systems.
j. Monitoring the end use of funds raised through public offers and related matters.
k. Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
l. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
m. Discussion with internal auditors of any significant findings and follow up there on.
n. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well post audit discussion to ascertain any area of concern.
o. To review the functioning of the whistle blower mechanism.
p. Ensuring that an Information System Audit of the internal systems and processes is conducted to assess operational risks faced by the Company.
q. To have an oversight on the legal and regulatory compliances.
r. To review and monitor the frauds and complaints as it deems necessary.
s. Any other responsibility as may be assigned by the board from time to time or as is mentioned in the terms of reference of the audit committee.

2. NOMINATION AND REMUNERATION COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Meena Jagtiani	20.04.2022	Chairperson – Independent Director	3	3	Nil
2.	Ms. Ananyashree Birla	10.10.2017	Non-Executive Director	3	0	20,78,46,874
3.	Mr. Vineet Bijendra Chattree*	10.10.2017	Executive Director	3	2	Nil
4.	Mr. Natarajan Girija Shankar**	08.11.2023	Independent Director	3	1	NA

* Appointed as Managing Director w.e.f. 14.06.2023.
* Ceased as Member w.e.f. 08.11.2023.
**Appointed as Member of the Committee w.e.f 08.11.2023.

Terms of Reference of the Nomination and Remuneration Committee includes:

a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
b. To ensure 'fit and proper' status of proposed/ existing Directors.
c. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal. Review the adequacy of Board diversity.
d. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
e. To recommend to the Board the appointment and removal of Senior Management.
f. To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
g. To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
h. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
i. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmark.
j. To act as the ESOP Committee and administer and manage the ESOP scheme.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Ananyashree Birla	05.04.2019	Chairperson -Non-Executive Director	1	0	20,78,46,874
2.	Mrs. Neerja Birla	05.04.2019	Non-Executive Director	1	0	21,00,000
3.	Ms. Meena Jagtiani	20.04.2022	Independent Director	1	1	Nil
4.	Mr. Vineet Bijendra Chattree*	05.04.2019	Executive Director	1	1	Nil

*Appointed as Managing Director w.e.f. 14.06.2023.

Terms of Reference of the Corporate Social Responsibility Committee includes:

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
b. To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
c. To monitor the Corporate Social Responsibility Policy of the company from time to time;
d. Any other matter as the CSR Committee may deem to be directed by the Board from time to time.

4. RISK MANAGEMENT COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Ananyashree Birla	10.10.2017	Chairperson -Non-executive Director	3	0	20,78,46,874
2.	Mr. Natarajan Girija Shankar	20.04.2022	Independent Director	3	3	Nil
3.	Mr. Vineet Bijendra Chattree*	10.10.2017	Executive Director	3	3	Nil
4.	Mr. Anujeet Varadkar**	09.02.2023	Chief Executive Officer	3	3	Nil

*Appointed as Managing Director w.e.f. 14.06.2023.
**Ceased to be Chief Executive Officer w.e.f. 23.05.2024.

Terms of Reference of the Risk Management Committee includes:

a. To review and approve a detailed Risk Management Policy implemented by the Company which shall include:
   i. A framework for the identification of internal and external risks specifically faced by the Company, in particular including - financial, operational, liquidity, sectoral, information, cyber security risks or any other risk as may be determined by the Committee.
   ii. Review of Risk appetite statements, response strategies to risks and risk mitigation

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
c. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
d. To review proposals and ratifications related to the risk management policy.
e. To review the appointment or removal of the Chief Risk Officer of the Company.
f. To review the Company's risk appetite limits at periodic intervals as per the directions of the Committee
g. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
h. To review changes / updates when prescribed by laws or regulations or as may be directed by the Board

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Ananyashree Birla*	04.01.2022	Chairperson -Non-executive Director	4	4	20,78,46,874
2.	Mr. Vineet Bijendra Chattree**	04.01.2022	Executive Director	4	4	Nil
3.	Mrs. Neerja Birla	04.01.2022	Non-executive Director	4	0	21,00,000

*Appointed as chairperson of the Committee w.e.f. 08.11.2023.
**Appointed as Managing Director w.e.f. 14.06.2023.

Terms of Reference of the Stakeholders Relationship Committee includes:

a. To resolve the grievances of the security holders including complaints related to transfer/transmission of securities, non-receipt of annual report, non-receipt of declared dividend / interest amount / redemption payment etc.
b. To review measures taken for effective exercise of voting rights by security holders.
c. To review adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.

6. ASSET LIABILITY MANAGEMENT COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Vineet Bijendra Chattree*	10.10.2017	Chairperson - Executive Director	4	4	Nil
2.	Mr. Anujeet Varadkar**	10.10.2017	Chief Executive Officer	4	4	Nil
3.	Ms. Vrushali Vishal Mahajan	10.10.2017	Chief Financial Officer	4	4	Nil
4.	Mr. Vikas Kalibaug***	23.05.2023	Chief Risk Officer	4	4	Nil
5.	Mr. Sahil Mehta****	22.03.2024	Senior President - Corporate Finance	4	0	NA

*Designated as chairman of the Committee w.e.f. 08.11.2023
*Appointed as Managing Director w.e.f. 14.06.2023.
**Ceased to be Chief Executive Officer w.e.f. 23.05.2024.
***Appointed as Member of the Committee w.e.f 23.05.2023.
****Appointed as Member of the Committee w.e.f 22.03.2024.

Terms of Reference of the Asset Liability Management Committee includes:

a. Addressing concerns regarding asset liability mismatches.
b. Achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity.
c. Addressing concerns regarding interest rate risk exposure; and
d. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

7. BORROWING COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Vineet Bijendra Chattree*	30.05.2020	Chairperson - Executive Director	14	14	Nil
2.	Mr. Anujeet Varadkar***	30.05.2020	Chief Executive officer	14	14	Nil
3.	Ms. Vrushali Vishal Mahajan	30.05.2020	Chief Financial officer	14	14	Nil
4.	Mr. Sahil Mehta**	22.03.2024	Senior President - Corporate Finance	14	1	NA

*Appointed as Managing Director w.e.f. 14,06.2023.
**Appointed as the Member of the Committee w.e.f. 22.03.2024.
*** Ceased to be Chief Executive Officer w.e.f. 23.05.2024.

Terms of Reference of the Borrowing Committee includes:

a. To borrow, and/or raise (including by way of direct assignment/transfer of loans transactions or securitization transactions) such amounts as may be required from time to time for the purpose of the business of the Company and/or provide any third party guarantees or other contractual comfort as may be required from time to time.
b. To borrow by way of issue of bonds and/or non-convertible debentures, any direct assignment/transfer of loans transactions and/or securitization transactions, and any third party guarantees or other contractual comfort provided shall be on such terms and within such limits/sub-limits as have been approved by the Board of Directors of the Company.
c. To take decisions for the requirement of the funds and to avail borrowings and/or raise funds of the required amount within the above ceiling from any person (including without limitation, any scheduled commercial bank, non-banking financial companies and financial institutions, mutual funds, and foreign portfolio investors).
d. To negotiate, settle and finalize all terms and conditions for the borrowings/fund raising including approving/making the allotment for said borrowings (if applicable) and to offer and provide security and to create/ extend charges on the assets of the Company.
e. To undertake and finalise terms for all types of transactions connected/related to the borrowings, including but not limited raising of funds by way of term loans (including any syndications or any external commercial borrowings) and

issue of non-convertible debentures or bonds on such terms and within such limits as have been approved by the Board of Directors of the Company, and providing of any third party guarantee(s) by the Company on behalf of any other person(s).

f. To undertake and finalise terms for all transactions in respect of any securitization and/or any direct assignment/ transfer of loans transactions entered into by the Company for the purposes of raising funds for the business of the Company within the overall limit prescribed above.
g. To authorize any member of the Borrowing Committee or the Company Secretary of the Company or any other official or authorized representative of the Company to jointly/severally execute and sign the loan, security and other documents.
h. To take decisions for the requirement of the funds and to make borrowings of the required amount within the above ceiling from any person (including without limitation, any scheduled commercial bank, Non-Banking Finance Company and Financial Institution, mutual funds, and foreign portfolio investors).
i. To negotiate, settle and finalize all terms and conditions for the borrowings including approving/making the allotment for said borrowings and to offer and provide security and to create/ extend charges on the assets of the Company.
j. To authorize any member of Borrowing Committee or the Company Secretary of the Company or any official or Authorized Representative of the Company to jointly/severally execute and sign the loan, security and other documents.

8. IT STRATEGY COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Natarajan Girija Shankar*	13.02.2024	Chairperson - Independent Director	2	1	Nil
2.	Ms. Ananyashree Birla**	01.04.2024	Non-executive Director	2	NA	20,78,46,874
3.	Mr. Vineet Bijendra Chattree****	22.06.2018	Executive Director	2	2	Nil
4.	Mr. Anujeet Varadkar***	22.06.2018	Chief Executive Officer	2	2	Nil
5.	Ms. Vrushali Vishal Mahajan***	22.06.2018	Chief Financial Officer	2	1	Nil
6.	Mr. Umang Shah***	22.06.2018	Chief Information officer	2	2	Nil
7.	Mr. Pranay Singh***	22.06.2018	Chief Technology Officer	2	2	Nil
8.	Mr. Shashikant Solaskar***	22.06.2018	Chief Information Security Officer	2	2	Nil
9.	Mr. Priten Bangdiwala***	22.06.2018	Independent Advisor	2	2	Nil

*Appointed as a Member and Chairman of the Committee w.e.f. from 13.02.2024.
**Appointed as Member of the Committee w.e.f. 01.04.2024.
***Ceased as a Member of the Committee w.e.f. 01.04.2024.
****Appointed as Managing Director w.e.f. 14.06.2023.

Terms of Reference of the IT Strategy Committee includes:

a. Ensure that the Company has put an effective IT strategic planning process in place;
b. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
c. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
d. Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;
e. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
f. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

9. CUSTOMER SERVICE COMMITTEE

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Ananyashree Birla	13.02.2024	Chairperson -Non-executive Director	1	1	20,78,46,874
2.	Mr. Vineet Bijendra Chattree*	13.02.2024	Member - Executive Director*	1	1	Nil

*Appointed as Managing Director w.e.f. 14.06.2023.

Terms of Reference of the Customer Service Committee includes:

a. To determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman / Deputy Internal Ombudsman, which should be appropriate keeping in view the stature and position of the Internal Ombudsman/ Deputy Internal Ombudsman.
b. To put in place a system for discussion of cases, in which the of the Internal Ombudsman has been rejected by the regulated entity.
c. To approve a Standard Operating Procedure (SOP) framed with respect to redressal of complaints by Internal Ombudsman.
d. To review the cases where the decision of the Internal Ombudsman has been rejected by the regulated entity.
e. To review the reports (including analysis of the complaints) placed by the Internal Ombudsman and provide recommendations if any.

3. General Body Meetings

Sr. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special Resolutions passed
1.	Extra-Ordinary General Meeting	14th June 2023 & Level 20, Sunshine Tower, Elphinstone Road, Senapati Bapat Marg, Mumbai - 400013.	To appoint Mr. Vineet Bijendra Chattree (DIN: 07962531) as Managing Director of the Company.
2.	Extra-ordinary General Meeting	22nd August 2023 & Level 20, Sunshine Tower, Elphinstone Road, Senapati Bapat Marg, Mumbai - 400013.	1) To alter the Articles of Association of the Company 2) To approve the limits for the acquisitions/investments by the company under section 186 of the Companies Act, 2013
3.	Annual General Meeting	27th September 2023 & Level 20, Sunshine Tower, Elphinstone Road, Senapati Bapat Marg, Mumbai - 400013.	Approval of Annual Accounts.
4.	Extra-ordinary General Meeting	20th October 2023 & Level 20, Sunshine Tower, Elphinstone Road, Senapati Bapat Marg, Mumbai - 400013.	To increase the Authorized Share Capital of the Company
5.	Extra-ordinary General Meeting	17th November 2023 & Level 20, Sunshine Tower, Elphinstone Road, Senapati Bapat Marg, Mumbai - 400013.	To Offer and Issue up to 11,02,70,507 (Eleven Crore Two Lakhs Seventy Thousand Five Hundred and Seven) – 5% Compulsorily Convertible Non-Cumulative Preference Shares ('CCPS') of Rs. 100/- (Rupees One Hundred Only) each

4. Details Of Non-Compliance With Requirements Of Companies Act, 2013

During the financial year under review, there has been no default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

5. Details Of Penalties And Strictures

During the financial year under review, no penalties or strictures has been imposed on the Company by the Reserve Bank of India or any other statutory authority.

FOR SVATANTRA MICROFIN PRIVATE LIMITED

Sd/-
ANANYASHREE BIRLA
(CHAIRPERSON)
DIN: 06625036

Date: 26th September 2024
Place: Mumbai

Financial Statements

Independent Auditor's Report

To the Members of Svatantra Microfin Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Svatantra Microfin Private Limited ("the Company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's response
1	**Impairment of loans** Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs: The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations: Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios: Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determined the economic scenarios used and the probability weights applied to them. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Ind AS financial statements, and possibly many times that amount. **Disclosures** The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Refer Note 2(k), Note 2(p)(ii), Note 5, and Note 36 (c) to the Ind AS financial statements.	**Principal Audit Procedures** Our key audit procedures included: • Evaluation of the appropriateness of the impairment principles used by management based in the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's processes, systems and controls implemented in relation to impairment allowance process. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of review controls over measurement of impairment allowances and disclosures in Ind AS financial statements. • Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over of calculation of impairment allowance for assessing the completeness, accuracy, and relevance of data. • Model calculations testing through re-performance where possible. • Assessed the appropriateness of management's judgements in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets. • Assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS financial statements are appropriate and sufficient.
2	**IT systems and control** Financial accounting and reporting processes, especially in the financial services sector are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	**Principal Audit Procedures** • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls. • We tested IT general controls (logical access changes management and aspects of IT operational controls). • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

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

The Company's Board of Directors is responsible for the preparation of the other information. Other information comprises of the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to the Board's Report and Shareholders' Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of this other information then we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, 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 Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e. On the basis of the written representations received from the directors as on March 31, 2024, and 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 with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact 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 is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a. The Management has represented that, to the best of its knowledge and belief, 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 or entity, 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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, 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) contain any material misstatement.

   v. The Board of Directors of the Company have declared an interim dividend on Compulsorily Convertible Non-cumulative Preference Shares for the year. The amount of dividend proposed is in accordance with section 123 of the Act as applicable.

   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 and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

   As proviso 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.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 098308

UDIN: 24098308BKCQCD8354

Date: May 29, 2024
Place: Mumbai

Annexure 1 To The Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Svatantra Microfin Private Limited on the Ind AS financial statements for the year ended March 31, 2024]

To the best of our information and according to the information, explanations, and written representations provided to us by the Company and the books of account and other records examined by us in the normal course of audit we report that:

i. (i) In respect of the Company's Property, Plant and Equipment and Intangible assets:

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

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

b. The Company has a regular process of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the process, certain property, plant and equipment and right of use assets which were due for physical verification during the year were verified during the year and no material discrepancies were noticed on such verification.

c. The Company does not own any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

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

e. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has not been sanctioned working capital limits/ working capital limits in excess of Rs. 5 crore by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. The Company has granted loans to various parties in the normal course of its business as a Non-Banking Finance Company. The Company has also granted loans to its employees as per Company's established policy during the year. The Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships (LLPs) during the year. However, the Company has made investments during the year.

a. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b. The terms and conditions of the grant of all loans are not, prima facie, prejudicial to the interest of the Company. The investments made are not, prima facie, prejudicial to the interest of the Company.

c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated for all the loans and advances in the nature of loans. The repayments/receipts of principal and interest for the loans outstanding as of March 31, 2024 are regular, except for the following details:

Bucket days past due (DPD)	Amount outstanding as on March 31, 2024 (Rs Lakhs)
1 to 90 DPD	6,894
More than 90 DPD	21,308

d. The total amount (aggregate of principal and interest) which is overdue for more than 90 days as of March 31, 2024, in respect of loans or advances in the nature of loans granted to other parties is Rs. 21,308 lakhs. In our opinion reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f. The Company has not granted any loans or advances in the nature ofloans, which are repayable on demand or without specifying any terms or period of repayment.

iv. The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

v. (v) The Company has not accepted any deposits and there are no amounts which have been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii. a. In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2024.

f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary. The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2024.

x. a. In our opinion and according to the information and explanations given to us, monies raised by way of non-convertible listed debentures were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments. The Company has not raised any money by way of initial public offer or further public offer, during the year.

b. ccording to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. a. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except for instances of misappropriation of cash by certain employees of the Company aggregating to Rs. 88 lakhs and out of which an amount of Rs. 51 lakhs has been recovered.

b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c. According to the information and explanations given to us including the written representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. (xv) According to the information and explanation given to us, the Company has not entered into any on-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

b. According to the information and explanations given to us, the Company has conducted Non Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. 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. a. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII of the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

b. The Company has transferred the remaining unspent amount under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

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

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 09830

UDIN: 24098308BKCQCB3420

Date: May 29, 2024
Place: Mumbai

Annexure 2 To The Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Svatantra Microfin Private Limited on the Ind AS financial statements for the year ended March 31, 2024]

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 Svatantra Microfin Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS 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 lnternal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of lndia ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit oflnternal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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, 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 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 ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 098308

UDIN: 24098308BKCQCB3420

Date: May 29, 2024
Place: Mumbai

Standalone Balance Sheet as at 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	99,789	54,948
(b) Bank balances other than cash and cash equivalents	3	8,831	49,059
(c) Receivables			
(i) Trade receivables	4	321	371
(ii) Other receivables	4	1,000	1,322
(d) Loans	5	6,40,279	6,26,736
(e) Investments	6	1,55,598	1,950
(f) Other financial assets	7	7,590	6,036
Total financial assets		**9,13,408**	**7,40,422**
(2) Non-financial assets			
(a) Current tax assets(net)		620	350
(b) Deferred tax assets(net)	8	12,214	10,133
(c) Property, plant and equipment	9	1,503	1,246
(d) Right of use asset	10	1,338	835
(e) Other intangibles assets	11	231	120
(f) Other non financial assets	12	898	1,367
Total non-financial assets		16,804	14,051
TOTAL ASSETS		**9,30,212**	**7,54,473**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	13		
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		1,091	721
II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		544	821
(b) Debt securities	14	4,990	21,930
(c) Borrowings(other than debt securities)	15	6,20,653	5,56,307
(d) Subordinated liabilities	16	40,558	47,821
(e) Lease liabilities		1,363	932
(f) Other financial liabilities	17	11,986	9,147
Total financial liabilities		**6,81,185**	**6,37,679**
(2) Non-financial liabilities			
(a) Provisions	18	1,773	1,187
(b) Other non-financial liabilities	19	657	641
Total non-financial liabilities		**2,430**	**1,828**
TOTAL LIABILITIES		**6,83,615**	**6,39,507**
EQUITY			
(a) Equity share capital	20	25,205	25,205
(b) Instruments entirely equity in nature	20	1,75,500	65,500
(c) Other equity	20	45,892	24,261
TOTAL EQUITY		**2,46,597**	**1,14,966**
TOTAL LIABILITIES AND EQUITY		**9,30,212**	**7,54,473**

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Pranav Jain
Partner
Membership No. 098308
Place : Mumbai
Date : 29 May 2024

Sd/-
Ananyashree Birla
Director
DIN No. 06625036
Place : Mumbai
Date : 29 May 2024

Sd/-
Vineet Bijendra Chattree
Director
DIN No. 07962531
Place : Mumbai
Date : 29 May 2024

Sd/-
Vrushali Mahajan
Chief Financial Officer
Place : Mumbai
Date : 29 May 2024

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227
Place : Mumbai
Date : 29 May 2024

Standalone statement of profit and loss for the year ended 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Revenue from operations			
Interest income	21	1,58,469	1,23,327
Fees and commission income	22	1,147	1,689
Net gain on fair value changes	23	1,677	820
Net gain on derecognition of financial instruments under amortized cost category		11,772	10,861
Total Revenue from operations		**1,73,065**	**1,36,697**
Other income	24	2,744	2,888
Total income		**1,75,809**	**1,39,585**
EXPENSES			
Finance costs	25	67,378	54,940
Impairment on financial instruments	26	35,718	35,757
Employee benefit expenses	27	28,002	20,969
Depreciation and amortization expenses	28	1,030	727
Other expenses	29	13,799	9,968
Total expenses		**1,45,927**	**1,22,361**
Profit before tax		**29,882**	**17,224**
Tax expense:			
Current tax		9,156	9,019
Prior Period tax		209	-
Deferred tax credit		(2,079)	(4,772)
Profit for the year [A]		**22,596**	**12,977**
Other comprehensive income, net of tax			
Item that will not to be reclassified to the statement of profit and loss	24.1	(1,360)	30
Less: Income tax expense on above		342	(7)
Other comprehensive income for the year [B]		**(1,018)**	**23**
Total comprehensive income for the year [A+B]		**21,578**	**13,000**
Earnings per equity share (Rs.)			
Basic		5.57	1.78
Diluted		5.55	1.78
Nominal value per share		10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Pranav Jain
Partner
Membership No. 098308
Place : Mumbai
Date : 29 May 2024

Sd/-
Ananyashree Birla
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Place : Mumbai
Date : 29 May 2024

Sd/-
Vrushali Mahajan
Chief Financial Officer
Place : Mumbai
Date : 29 May 2024

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227
Place : Mumbai
Date : 29 May 2024

Standalone statement of Changes in Equity for the year ended 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Balance as at 31 March 2022	**25,20,46,875**	**25,205**
Change during the year	-	-
Balance as at 31 March 2023	**25,20,46,875**	**25,205**
Change during the year	-	-
Balance as at 31 March 2024	**25,20,46,875**	**25,205**

B Instruments entirely equity in nature

Compulsorily convertible non-cumulative preference shares ("CCPS")

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Number of shares	Amount
Balance as at 31 March 2022	**5,05,00,000**	**50,500**
Change during the year	1,50,00,000	15,000
Balance as at 31 March 2023	**6,55,00,000**	**65,500**
Change during the year	11,00,00,000	110,000
Balance as at 31 March 2024	**17,55,00,000**	**1,75,500**

C. Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Reserves and surplus							Total
	Securities premium	Capital reserve	Statutory reserves	Impairment reserve	Employee stock option plan reserve	Retained earnings	Other comprehensive income	
Balance at 31 March 2022	**4**	**442**	**2,583**	**235**	**140**	**7,814**	**(4)**	**11,214**
Profit for the year	-	-	-	-	-	12,977	-	12,977
Remeasurement of the net defined benefit liability/asset (net of tax)	-	-	-	-	-	-	23	23
Transfer to statutory reserve	-	-	2,596	-	-	(2,596)		-
Fair value of stock option for the year	-	-	-	-	47	-		47
Equity component of compulsorily convertible non-cumulative preference shares	-	-	-	-	-	-		-
Balance at 31 March 2023	**4**	**442**	**5,179**	**235**	**187**	**18,195**	**18**	**24,261**
Profit for the year	-	-	-	-	-	22,596		22,596
Remeasurement of the net defined benefit liability/asset (net of tax)	-	-	-	-	-	-	(59)	(59)
Fair value changes on Investments (net of tax)							(959)	(959)
Transfer to statutory reserve	-	-	4,520	-	-	(4,520)		-
Fair value of stock option for the year	-	-	-	-	53	-		53
Derecognition of compulsorily convertible non-cumulative preference shares	-	-	-	-	-	-		-
Balance at 31 March 2024	**4**	**442**	**9,698**	**235**	**240**	**36,271**	**(999)**	**45,892**

Significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Pranav Jain
Partner
Membership No. 098308
Place : Mumbai
Date : 29 May 2024

Sd/-
Ananyashree Birla
Director
DIN No. 06625036
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Vineet Bijendra Chattree
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DIN No. 07962531
Place : Mumbai
Date : 29 May 2024

Sd/-
Vrushali Mahajan
Chief Financial Officer
Place : Mumbai
Date : 29 May 2024

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227
Place : Mumbai
Date : 29 May 2024

Standalone statement of cash flows for the year ended 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Profit before tax	**29,882**	**17,224**
Cash flow from operating activities		
Adjustment for:		
Transaction costs on borrowings	745	(237)
Gain on sale of mutual fund units held as current investments	(1,677)	(820)
Depreciation and amortisation	1,030	726
Transaction cost on loan processing charges	275	2,910
Interest on fixed deposits	(2,197)	(1,843)
Finance cost on lease liabilities	96	39
Impairment on financial instruments	35,718	35,757
Impairment Loss on investment (MTM)	1,281	-
Movement in working capital:		
- (Increase) / decrease in loans and advances	(49,537)	(1,91,763)
- (Increase) / decrease in receivables	373	(904)
- (Increase) / decrease in other financial assets	(1,554)	(2,645)
- (Increase) / decrease in other non financial assets	1,040	(146)
- Increase / (decrease) in trade payables	(175)	1,547
- Increase / (decrease) in other financial Liabilities	2,839	(87)
- Increase / (decrease) in other non financial Liabilities	(254)	268
- Increase / (decrease) in provisions	586	314
Cash generated from/(used in) operations	**18,472**	**(1,39,662)**
Income tax paid (net)	(10,062)	(9,775)
Cash generated from/(used in) operations [A]	**8,410**	**(1,49,437)**
Cash flow from/(used in) investing activities		
Purchase of property, plant and equipment, intangibles including intangibles underdevelopment	(1,382)	(750)
Proceeds from sale of property, plant and equipment and intangibles	204	15
Capital advance given	(572)	1
Purchase of mutual funds	(6,27,069)	(3,79,881)
Proceeds of sale of mutual funds	6,28,745	3,80,701
Interest received on fixed deposits	2,711	835
Investment in security receipts	-	(1,950)
Proceeds from security receipts	669	-
Investment in Chaitanya India Fin Credit Private Limited	(1,55,598)	-
Maturity /(investments) of /in fixed deposits	39,713	(24,052)
Cash generated from/(used in) investing activities [B]	**(1,12,578)**	**(25,081)**
Cash flow from/(used in) financing activities		
Proceeds from issuance of compulsorily convertible preference shares	1,10,000	15,000
Proceeds from borrowings, debt securities and subordinated liabilities	4,53,823	383,645
Repayment of borrowings, debt securities and subordinated liabilities	(4,14,424)	(2,37,782)
Interest paid on lease liabilities	(96)	(39)
Repayment of lease liabilities	(293)	(45)
Cash generated from/(used in) financing activities [C]	**1,49,010**	**1,60,779**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**44,841**	**(13,739)**
Cash and cash equivalents at the beginning of the year	**54,948**	**68,687**
Cash and cash equivalents at the end of the year	**99,789**	**54,948**

Change in liabilities arising from financing activities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance (Borrowings and debt/subordinated-debt securities) as at 1 April 2023	6,26,058	4,80,434
Proceeds from borrowings	4,53,823	4,11,145
Proceeds from issue of non-convertible debentures	-	15,000
Repayments of borrowings	3,89,134	2,73,542
Repayments of debt securities	24,545	6,978
Closing balance (Borrowings and debt/subordinated-debt securities)	**6,66,201**	**6,26,058**

Notes:
1. All figures in bracket are outflow.
2. The cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
3. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4. For movement of lease liabilities, refer note no. 38

Significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Pranav Jain	**Ananyashree Birla**	**Vineet Bijendra Chattree**	**Vrushali Mahajan**	**Surinder Kumar Bhatia**
Partner	Director	Director	Chief Financial Officer	Company Secretary
Membership No. 098308	DIN No. 06625036	DIN No. 07962531	Place : Mumbai	Membership No. 17227
Place : Mumbai	Place : Mumbai	Place : Mumbai	Date : 29 May 2024	Place : Mumbai
Date : 29 May 2024	Date : 29 May 2024	Date : 29 May 2024		Date : 29 May 2024

Notes To The Standalone Financial Statements

For The Year Ended 31 March 2024

Company Information

Svatantra Microfin Private Limited ('the Company" or "SMPL") is a private limited company incorporated in India on 17 February 2012 under the Companies Act, 1956 having its registered office at 20th Floor, Sunshine Towers, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013, Maharashtra. The Company is registered with Reserve Bank of India (RBI) as a "Non Banking Financial Company-Micro Finance Institution".

1. Basis of accounting and preparation of standalone financial statements

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by Reserve bank of India and other regulators are implemented as and when they are issued/ applicable.

These standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The Company consistently applies the following accounting policies to all periods presented in these standalone financial statements, unless otherwise stated.

The standalone financial statements for the year ended 31 March 2024 were authorised and approved by the Board of Directors on 29 May 2024.

2. Material accounting policies

a. Functional and presentation currency

These standalone 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.

b. 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 is based on the presumption 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
The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.
At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Revenue recognition

Interest Income

Interest income from financial assets (assets on finance) is recognised on accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for upfront expenses and incomes attributable to the acquisition of the financial asset. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.

Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in Net gains on fair value changes under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at Fair value through profit and loss ("FVTPL") and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain\loss on fair value changes. However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss."

Commission income

Commission fee income is recognized on accrual basis when the service is rendered.

Income from direct assignment and securitization

Interest Income on securitized loans are considered at par with own loans and is also recognised under the Effective Interest Rate method. In case of Direct Assignment, Company recognize the income upfront on the basis of fair value by discounting the entire interest strip (excess interest spread) of assigned portfolio.

Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

All other income is recognized on an accrual basis, when there is reasonable certainty in the ultimate realization / collection.

d. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost

a Financial asset is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Investments in equity instruments

Investments in equity instruments which are held for trading are classified at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to Statement of Profit and Loss. However, the Company transfers the cumulative gain or loss within equity.

Dividends on such investments are recognised in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognise the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed).

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

e. Foreign currency

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on settlement and restatement are recognised in the Statement of Profit and Loss.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation and Amortisation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 or as estimated by the Company, whichever is shorter.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

Leasehold improvements are amortised over the lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

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 is included in the income statement when the asset is derecognised.

Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets for assets acquired in a business combination, are stated at fair value on the date of acquisition.

Subsequent expenditure

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

Derecognition of assets
An item of intangible asset and any significant part initially recognized is derecognized 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 is included in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or 5 years, whichever is shorter.

Capital work-in-progress
Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

g. Income taxes
Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax
Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Advance taxes and provision for current income tax are presented in the balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred tax
Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

h. Employee Benefits
Short-term employee benefits:
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution to provident fund and other funds :
In accordance with Indian Law, eligible employees receive benefits from Provident Fund , Employee State Insurance Contribution (ESIC) and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

Gratuity:
Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefits / obligations are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

Compensated Absences:
The employees of the Company are entitled to leave as per the leave policy of the Company. The liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

i. Borrowing costs:
Borrowing cost of financial liabilities is recognised using the Effective Interest Rate (EIR) method.

j. Impairment of non-financial assets
At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

k. Impairment of financial assets
Loan assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

i) 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 recognised. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

ii) 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 recognised. Exposures with DPD 31 days to 90 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.

iii) 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 recognised on principal outstanding as at period end. Exposures with DPD more than 90 days are classified as stage 3.

Loss allowances for financial assets
The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

It has been the Company's policy to regularly review its ECL model in the context of actual loss experience and adjust when necessary. For details, refer note 36 (C).

Other receivables
In respect of other receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Write-offs :
The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

l. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash Flow Statement.

m. Provisions, Contingent liabilities and Contingent assets:

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n. Earnings per share

The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

o. Leases

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
The right-of-use assets are also subject to impairment. Refer note 2 (j) of accounting policy for impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other financial liabilities.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

p. Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

i. Fair value of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.
Fair value measurements under Ind-AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.3.

ii. Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward looking information. The inputs used and process followed by the Company in determining the ECL have been detailed in Note 36(c).

iii. Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioural life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

iv. Business model assessment

Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

v. Useful life and expected residual value of assets

Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

vi. Leases

- The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

vii. Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced

viii. Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ix. Provisions and contingencies

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

q. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. (a) Cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	97	35
Balances with banks		
-In current accounts	37,077	45,911
-Deposit with original maturity of less than three months (Refer note below)	62,615	9,002
	99,789	**54,948**

Note: Short-term deposits are placed for varying periods between one day to three months, depending on the immediate cash requirements of the Company.

(b) Bank balances other than cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
In fixed deposit accounts with original maturity of less than 12 months	-	30,739
In fixed deposit accounts with original maturity of more than 12 months	866	8,868
Margin money deposits*	7,965	9,452
	8,831	**49,059**

* Represent deposits placed as cash collateral in connection with term loans.

4. Receivables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables		
Undisputed trade receivables-considered good	321	371
	321	**371**
Other receivables		
Unsecured considered good	1,000	1,322
Unsecured and considered having significant increase in credit risk	79	66
Allowance for trade receivables having significant increase in credit risk	(79)	(66)
	1,000	**1,322**
	1,321	**1,693**

Trade receivables ageing schedule for the year ended as on 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Less than 6 Months	6 months to 1 year	1-2 years	2-3 Years	More than 3 Years	Total
Trade Receivables						
Undisputed trade receivables considered good	321	-	-	-	-	321

Trade receivables ageing schedule for the year ended as on 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Less than 6 Months	6 months to 1 year	1-2 years	2-3 Years	More than 3 Years	Total
Trade Receivables						
Undisputed trade receivables - considered good	371	-		-	-	371

Note: NIL receivables are due form directors and other officers of the Company either severally or jointly with any other person. Nor any other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

5. Loans

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Loans at amortised cost		
(i) Term loans (Joint liability group and individual loans)	6,89,600	6,71,328
(ii) Loans to employees	134	217
Total (A) - Gross	**6,89,734**	**6,71,545**
Less: Impairment loss allowance	49,455	44,809
Total (A) - Net	**6,40,279**	**6,26,736**
(B) Secured/unsecured		
(i) Secured by tangible assets and intangible assets	-	-
(ii) Covered by Bank / Government Guarantees	-	-
(iii) Unsecured	6,89,734	6,71,545
Total (B) - Gross	**6,89,734**	**6,71,545**
Less: Impairment loss allowance	**49,455**	**44,809**
Total (B) - Net	**6,40,279**	**6,26,736**
(C) Loans in India		
(i) Public Sector	-	-
(ii) Others	6,89,734	6,71,545
Total (C)- Gross	**6,89,734**	**6,71,545**
Less: Impairment loss allowance	**49,455**	**44,809**
Total(C)-Net	**6,40,279**	**6,26,736**

6. Investments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment carried at fair value through other comprehensive income		
Investment in security receipts (unquoted)	1,281	1,950
less: Impairment on security receipts	(1,281)	-
Phoenix Trust-FY22-23 {195,000 security receipts of Rs. 866 each (PY Rs. 1000 each)}		
Investments in fully paid equity shares		
Unquoted		
(i) At amortised cost		
Investment in Chaitanya India Fin Credit Private Limited ("Chaitanya")*	1,55,598	-
	1,55,598	**1,950**

*During the year ended 31 March 2024, the Company has acquired 100% (15,76,66,666 equity shares) stake of Chaitanya India Fin Credit Private Limited ("Chaitanya") a Non-Banking Financial Company-Micro Finance Institution registered with RBI, pursuant to which Chaitanya has become a wholly-owned subsidiary of the Company with effect from 23 November 2023.

7. Other financial assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost : Unsecured, considered goods		
Excess interest spread (EIS) receivable	7,324	5,820
Security deposits	266	216
	7,590	**6,036**

8. Deferred tax assets (net)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets		
On account of:		
Impairment of financials instruments	12,032	10,419
Impairment on security receipts	322	-
Expenses allowable on payment basis	509	293
Temporary differences of written down value of intangible assets and property, plant and equipment	228	177
Transaction costs on loans	1,659	1,590
Lease liabilities	21	33
Total deferred tax assets	**14,771**	**12,512**
Deferred Tax liabilities		
On account of:		
Transaction costs on borrowings and debt securities	714	902
Measurement gain on direct assignment	1,843	1,465
Modification (restructuring) gain on financial assets	-	12
Total deferred tax Liabilities	**2,557**	**2,379**
Net Deferred tax assets / (liabilities)	**12,214**	**10,133**

9. Property, plant and equipment

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Furniture & fixtures	Computers	Office equipment's	Leasehold Improvements	Total
Gross block (at cost)					
As at 1 April 2022	541	1,596	597	106	2,841
Additions	130	186	396	4	716
Disposals	2	2	166	-	170
As at 31 March 2023	**669**	**1,780**	**827**	**110**	**3,387**
Additions	142	394	478	5	1,019
Disposals	2	42	70	-	114
As at 31 March 2024	**809**	**2,132**	**1,235**	**115**	**4,292**
Accumulated depreciation					
As at 1 April 2022	**376**	**950**	**338**	**87**	**1,751**
Additions	107	163	270	5	545
Disposals	2	2	151	-	155
As at 31 March 2023	**481**	**1,111**	**457**	**92**	**2,142**
Additions	147	235	362	6	749
Disposals	2	40	61		102
As at 31 March 2024	**626**	**1,306**	**758**	**98**	**2,789**
Net Block					
As at 31 March 2023	188	669	370	18	1,246
As at 31 March 2024	**183**	**826**	**477**	**17**	**1,503**

10. Right of use Asset

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Total
Gross amount as at 1 April 2022	627
Additions	879
Deletions	173
As at 31 March 2023	**1,332**
Additions	723
Deletions	-
As at 31 March 2024	**2,055**
Accumulated Amortisation	
As at 1 April 2022	345
Charge for the year	152
Deletions	-
As at 31 March 2023	**497**
Charge for the year	221
Deletions	-
As at 31 March 2024	717
Net block	
As at 31 March 2023	**835**
As at 31 March 2024	**1,338**

11. Other intangible assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Computer Software	Trade Mark	Total
Gross Block (at cost)			
As at 1 April 2022	526	-	526
Additions	34	-	34
Disposals			-
As at 31 March 2023	560	-	560
Additions	71	100	171
Disposals	-	-	-
As at 31 March 2024	631	100	731
Accumulated amortization			
As at 1 April 2022	410	-	410
Additions	30	-	30
Disposals			-
As at 31 March 2023	440	-	440
Additions	48	12	60
Disposals			-
As at 31 March 2024	**488**	**12**	**500**
Net Block			
As at 31 March 2023	**120**	**-**	**120**
As at 31 March 2024	**143**	**88**	**231**

(All amounts in ₹ Lakhs unless otherwise stated)

12. Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Prepaid expenses	258	1,299
Other advances	640	68
	898	**1,367**

13. Payables

Particulars	As at 31 March 2024	As at 31 March 2023
(I) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	1,091	721
(II) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	544	821
	1,635	1,542

Trade payables ageing schedule for the year ended as on 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME		-	-	-	-	-
(ii) Others	1,091	-	-	-	-	1,091
(iii) Disputed dues – MSME						
(iv) Disputed dues – Others	-	-	-	-	-	-

Trade payables ageing schedule for the year ended as on 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	721	-	-	-	-	721
(iii) Disputed dues – MSME						
(iv) Disputed dues – Others	-	-	-	-	-	-

The Company has NIL outstanding dues and interest payable for micro, small and medium enterprises - refer Note 40.

(All amounts in ₹ Lakhs unless otherwise stated)

14. Debt Securities

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Redeemable non-convertible debentures		
Secured	1,254	13,242
Unsecured	3,736	8,688
Total (A)	**4,990**	**21,930**
Debt securities in India	4,990	21,930
Debt securities outside India	-	-
Total (B) to tally with (A)	**4,990**	**21,930**

15. Borrowings (Other than Debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Term loans		
Secured*		
(i) from banks	5,32,012	4,34,457
(ii) from others	88,641	1,21,850
Total (A)	**6,20,653**	**5,56,307**
Borrowings in India	6,20,653	5,56,307
Borrowings outside India	-	-
Total (B) to tally with (A)	**6,20,653**	**5,56,307**

* Secured against the book debt of the company

Terms Of Principal Repayment Of Borrowings (Other than Debt securities)

Original maturity and rate of interest	Maturity	As at 31 March 2024		As at 31 March 2023	
		No of Instalments	Amount	No of Instalments	Amount
5.01% to 6.00%	Within 1 Year	12	5,454	11	5,000
9.00% to 9.50%	Within 1 Year	25	10,055	30	15,320
9.51% to 10.00%	Within 1 Year	103	19,166	53	10,789
10.01% to 10.50%	Within 1 Year	107	36,683	64	13,335
10.51% to 11.00%	Within 1 Year	64	56,767	72	27,395
11.01% to 11.50%	Within 1 Year	26	8,415	18	2,989
11.51% to 12.00%	Within 1 Year	11	4,400	25	9,419
12.01% to 12.50%	Within 1 Year	0	-	4	4,000
5.01% to 6.50%	1-3 Years	0	-	24	10,909
6.51% to 8.50%	1-3 Years	0	-	46	22,091
6.51% to 8.99%	1-3 Years	22	13,334	0	-
9.01% to 09.50%	1-3 Years	490	2,09,694	148	93,601
9.51% to 10.00%	1-3 Years	440	1,75,190	432	1,82,380
10.01% to 10.50%	1-3 Years	167	67,547	379	92,975
10.51% to 11.00%	1-3 Years	6	3,490	49	21,062
11.01% to 11.50%	1-3 Years	0	-	116	19,825
11.51% to 12.00%	1-3 Years	0	-	23	9,200
9.51% to 10.00%	3-5 Years	0	-	43	12,190
10.51% to 11.00%	3-5 Years	0	-	13	6,094
12.01% to 12.50%	3-5 Years	7	12,323	0	-
Total debt Securities			**6,22,517**		**5,58,574**
Adjustments of unamortised processing fee based on EIR			(1,865)		(2,266)
Total adjusted debt securities			**6,20,653**		**5,56,307**

16. Subordinated liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Subordinated liabilities	40,558	47,821
Total	**40,558**	**47,821**

Terms and Security of Debt Securities and Subordinated liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Number of Debentures As at 31 March 2024	Number of Debentures As at 31 March 2023	(Rs. In Lakhs) As at 31 March 2024	(Rs. In Lakhs) As at 31 March 2023
Secured				
13.50% rated, unlisted, senior, secured, redeemable, taxable, Non Convertible Debentures of face value of Rs.1,000,000 each. Redeemable at par.	-	600	-	1,000
11.50 % rated, listed, senior, secured, redeemable, taxable, Non Convertible Debentures of face value of Rs.1,000,000 each. Redeemable at par.	-	150	-	1,500
13.00 % rated, secured, unsubordinated, senior, redeemable, taxable, transferable, listed, Non Convertible Debentures of face value of Rs.1,000,000 each.Redeemable at par.	-	100	-	1,000
12.5% rated, listed, senior, secured, redeemable, taxable, Non Convertible Debentures of face value of Rs.1,000,000 each. Redeemable at par.	-	150	-	1,500
11.5% rated, secured, senior, redeemable, taxable, transferrable, listed, Non Convertible Debentures of face value of Rs.1,000,000 each. Redeemable at par.	-	200	-	2,000
11.35% rated, listed, senior, secured, redeemable, taxable, Non Convertible Debentures of face value of Rs.1,000,000 each. Redeemable at par.	-	250	-	2,500
10.95% rated, listed, senior, secured, redeemable, taxable, transferable Non Convertible Debentures of face value of Rs.1,000,000 each.Redeemable at par.	700	700	1,272	3,818
Nature of security				
The above non-convertible debentures ("NCD") are secured by way of a first ranking exclusive and continuing charge over the book debts / loan receivables of the Company.				
Unsecured				
11.70% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1,000,000 each. Redeemable at par.	-	750		7,500
13.75% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.10 each.Redeemable at par.	1,50,00,000	1,50,00,000	1,500	1,500
12.90% rated, listed, unsecured, taxable, redeemable, subordinated, transferrable, Non Convertible Debentures of face value of Rs.1,000,000 each.Redeemable at par.	600	600	6,000	6,000
11.77% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redeemable at par.	1,250	1,250	12,500	12,500

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Number of Debentures As at 31 March 2024	Number of Debentures As at 31 March 2023	(Rs. In Lakhs) As at 31 March 2024	(Rs. In Lakhs) As at 31 March 2023
11.77% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redeemable at par.	900	900	9,000	9,000
11.77% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redeemable at par.	750	750	7,500	7,500
11.90% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each.Redeemable at par.	500	500	5,000	5,000
9.50% unsecured, subordinated, fully paid up,rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.5000000 each.Redeemable at par.	2,000	2,000	3,750	8,750
Total Debt securities			**46,522**	**71,068**
Adjustments of unamortised processing fee based on EIR basis			**(974)**	**(1,318)**
Total adjusted Debt securities			**45,548**	**69,751**

Terms and Security of Debt Securities and Subordinated liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Maturity	As at 31 March 2024 No of Instalments	As at 31 March 2024 Amount	As at 31 March 2023 No of Instalments	As at 31 March 2023 Amount
Quarterly					
9.00% to 10.50%	Within 1 Year	3	3,750		
10.51% to 11.00%	Within 1 Year	2	1,272	-	-
9.00% to 10.50%	1-3 Years	-	-	7	8,750
10.51% to 11.00%	1-3 Years	-	-	6	3,818
Half Yearly					
12.51% to 13.50%	Within 1 Year	-	-	1	1,000
Bullet					
11.01% to 11.50%	Within 1 Year	-	-	3	6,000
11.51% to 12.00%	Within 1 Year	-	-	1	7,500
12.01% to 12.50%	Within 1 Year	-	-	1	1,500
12.51% to 13.00%	Within 1 Year	1	6,000	1	1,000
13.01% to 13.50%	1-3 Years	1	1,500	-	-
11.51% to 12.00%	3-5 Years	4	34,000	3	29,000
12.51% to 13.00%	3-5 Years	-	-	1	6,000
13.51% to 14.00%	3-5 Years	-	-	1	1,500
13.51% to 14.00%	5 and above	-	-	1	5,000
Total debt Securities			**46,522**		**71,068**
Adjustments of unamortised processing fee based on EIR			(974)		(1,318)
Total adjusted debt securities			**45,548**		**69,751**

17. Other financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	2,163	3,146
Employee benefits payable	752	475
Payable towards securitised and assigned portfolio	9,008	5,524
Other payables	63	2
	11,986	**9,147**

18. Provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity	370	174
Leave encashment (unfunded)	1,403	989
Phantom stock	-	24
	1,773	**1,187**

19. Other non-financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	657	641
	657	**641**

20. (a) Share Capital

(I) Details of authorised, issued, subscribed and paid up share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers of shares	Amount	Numbers of shares	Amount
Authorized:				
Equity shares of Rs. 10 each	4,75,50,00,000	4,75,500	75,50,00,000	75,500
Preference shares of Rs. 100 each	53,00,00,000	5,30,000	13,00,00,000	1,30,000
		1,005,500		**205,500**
Issued, subscribed and paid-up:				
Equity shares of Rs. 10 each fully paid up	25,20,46,875	25,205	25,20,46,875	25,205
5% Compulsorily Convertible Non-Cumulative Preference Shares Rs. 100 each fully paid up	17,55,00,000	1,75,500	6,55,00,000	65,500
		2,00,705		**90,705**

(II) Rights, preferences and restrictions attached to equity shares

The Company has equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% equity shares in the Company on reporting date:

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	Numbers of shares	Amount	Numbers of shares	Amount
Ms. Ananyashree Birla	20,78,46,874	82.46%	20,78,46,874	82.46%
Svatantra Holdings Private Limited	4,00,00,000	15.87%	4,00,00,000	15.87%
Total	**24,78,46,874**	**98.33%**	**24,78,46,874**	**98.33%**

Shares held by promoters at the end of the year:

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the promoters	Numbers of shares	Percentage of shareholding	% Change during the year
Ms. Ananyashree Birla	2,078,46,874	82.46%	0.00%
Total	**20,78,46,874**	**82.46%**	**0.00%**

The reconciliation of the number of equity shares outstanding:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Shares at the beginning of the year	25,20,46,875	25,20,46,875
Add :Shares issued during the year	-	-
Shares at the end of the year	**25,20,46,875**	**25,20,46,875**

(iii) Instruments entirely equity in nature

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Svatantra Holdings Private Limited	65,500	65,500
IGH Holdings Private Limited	1,10,000	-
5% Compulsorily Convertible Non-Cumulative Preference Shares	**1,75,500**	**65,500**

Right, preferences and restrictions attached to 5% Compulsorily Convertible Non-Cumulative Preference Shares

The Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) shall carry a fixed rate of dividend of 5% (Five Percent) per annum on the capital paid up thereon calculated on a proportionate basis from the date of allotment and shall be non-cumulative. The CCPS shall be compulsorily convertible into equity shares of the Company anytime at the option of the CCPS holder. If the CCPS holder does not exercise the option to convert the CCPS into equity shares before the expiry of 10 (Ten) years from the date of allotment of CCPS, then CCPS shall be convertible into equity shares of the Company on the expiry of 10 (Ten) years from the date of allotment of CCPS. The conversion ratio is 9 CCPS of Rs. 100 each fully paid-up convertible into 13 Equity Shares of Rs. 10 each fully paid up . The Equity Shares to be allotted on conversion of the CCPS shall rank pari passu in all respects with the existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.

(iv) Shares issued for consideration other than cash

The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2024.

(v) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company (refer note 41)

(b) Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Refer note	As at 31 March 2024	As at 31 March 2023
Securities premium	**20.2**	4	4
Statutory reserve in terms of section 45-IC of the RBI Act	**20.3**	9,698	5,179
Impairment reserve	**20.4**	235	235
Retained earnings	**20.5**	36,271	18,196
Employee stock option plan reserve	**20.6**	240	187
Capital reserve on derecognition of compulsorily convertible non-cumulative preference shares	**20.7**	442	442
Other comprehensive Income		(999)	18
		45,892	24,261

20.1

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Opening balance	4	4
Closing balance	**4**	**4**
Statutory reserve In terms of Section 45 - IC of the RBI Act		
Opening balance	5,179	2,583
Add: Current year transfer	4,520	2,596
Closing balance	**9,699**	**5,179**
Impairment reserve		
Opening balance	235	235
Add: Current year transfer	-	-
Closing balance	**235**	**235**
Retained earnings		
Opening balance	18,195	7,813
Add: Transferred from statement of profit and loss	22,596	12,977
Less: Transfer to statutory reserves	(4,520)	(2,596)
Closing balance	**36,271**	**18,195**
Employee stock option plan reserve		
Opening balance	187	140
Add: Compensation for options granted	53	47
Closing balance	**240**	**187**
Capital reserve		
Opening balance	442	442
Add: Current year transfer	-	-
Closing balance	**442**	**442**
Other comprehensive income		
Opening balance	18	(4)
Add: Current year transfer	(1,018)	23
Closing balance	**(999)**	**18**
	45,892	24,261

20.2 Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

20.3 Statutory 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% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purpose specified by the RBI.

20.4 Impairment Reserves as per RBI notification

As per DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserves'. The balance in the 'Impairment Reserves' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserves without prior permission from the Department of Supervision, RBI.

20.5 Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the Company over the years.

20.6 Employee stock option plan reserve

The Company has an employee stock option scheme under which the option to subscribe for the companies share have been granted to the key employees and directors. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to the key employees as part of their remuneration. Refer to note 41 for further details of the scheme.

20.7 Capital reserve

Capital reserve represents gain on derecognition of compulsorily convertible non-cumulative preference shares.

21. Interest Income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost		
Interest on loans	1,56,253	1,21,458
Interest on deposits with banks	2,197	1,843
Interest on employee loans	19	26
Total	**1,58,469**	**1,23,327**

22. Fees and commission income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Income from commission	1,147	1,689
Total	**1,147**	**1,689**

23. Net Gain on Fair Value Changes

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss		
-Investments in mutual funds	1,677	820
	1,677	820
Total net gain on fair value changes		
Fair Value changes:		
-Realised	1,677	820
-Unrealised	-	-
Total	**1,677**	**820**

24. Other income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Recovery against loans written off	542	136
Miscellaneous income	2,202	2,752
Total	**2,744**	**2,888**

24.1 Other comprehensive income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Item that will not to be reclassified to the statement of profit and loss		
Actuarial Gain / (Loss) on Gratuity	(79)	30
Impairment Loss on investment (MTM)	(1,281)	-
Total	**(1,360)**	**30**

25. Finance costs

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial liabilities measured at amortised costs		
Interest		
On borrowings (other than debt securities)	57,230	45,007
On debt securities	953	2,310
On subordinated liabilities	5,788	5,716
On lease liabilities	96	39
Other borrowing costs	3,311	1,868
Total	**67,378**	**54,940**

26. Impairment on financial instruments and written-off

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost		
Loans		
Impairment on loan portfolio	4,645	20,141
Loan portfolio written-off*	30,797	15,493
Other balance written-off	197	121
Impairment on other asset	79	2
Total	**35,718**	**35,757**

*Including write-off on account of ARC transaction during the financial year 2022-23

27. Employee benefit expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and allowances	24,017	17,715
Contribution to provident and other funds	1,895	1,377
Expenses on employee stock option plan	53	47
Staff welfare expenses	2,037	1,830
Total	**28,002**	**20,969**

28. Depreciation and amortisation expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of plant, property and equipment	749	545
Amortisation of right of use assets	221	152
Amortisation of intangible asset	60	30
Total	**1,030**	**727**

29. Other expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement expenses	3	7
Rates and taxes	583	33
Rent	1,413	1,206
Communication expenses	455	445
Travelling and conveyance expenses	3,508	2,464
Training expenses	316	260
Recruitment expenses	7	4
Insurance expenses	23	19
Printing and stationery	370	314
Legal and professional fees	1,483	979
Website development expenses	16	22
Electricity and water expenses	317	208
Membership and subscription	89	87
Repairs and maintenance	77	148
Software Service and Maintenance	1,696	980
Other Administrative Expenses	252	210
Cash management charges (CMS)	2,147	1,618
Commission and brokerage	582	457
Expenses on Corporate social responsibility	181	99
Bank charges	9	57
Auditors' remuneration		
- Audit fees	40	36
- Tax audit fees	4	3
- For other services	8	3
Other expenditure	220	309
Total	**13,799**	**9,968**

30. Contingent liabilities and capital commitments

(A) Contingent liabilities : Nil

(B) Commitments not provided for

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7	55
Total	**7**	**55**

31 Tax expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax expense		
Current tax for the year	9,156	9,019
Earlier year tax	209	-
Total	**9,365**	**9,019**
Deferred taxes liabilities / (assets)		
Relating to origination and reversal of temporary differences	(2,079)	(4,772)
Net deferred tax expense	**(2,079)**	**(4,772)**
Total income tax expense	**7,286**	**4,247**

31.1 Tax reconciliation

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before income tax expense	29,882	17,224
Statutory income tax rate	25.168%	25.168%
Tax at statutory income tax rate	7,521	4,335
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax impact on expenses which is non deductible	172	26
Tax impact on additional deduction	(182)	(125)
Others	(224)	11
Income tax expense	**7,286**	**4,247**

31.2 Deferred tax movement related to the following:

1 April 2023 to 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance as at 1 April 2023	(Charge)/ Credit in Profit & Loss	Recognised in OCI	Recognised in Other Equity	Balance as at 31 March 2024
Deferred tax asset on account of:					
Impairment of financials instruments	10,419	1,938	-	-	12,357
Expenses allowable on payment basis	293	(128)	342	-	507
Temporary differences of written down value of intangible assets and property, plant and equipment	177	51	-	-	228
Transaction costs on loans	1,590	69	-	-	1,659
Lease liabilities	33	(12)	-	-	21
	12,512	**1,918**	**342**	**-**	**14,772**
Deferred tax liability on account of:					
Transaction cost on borrowings and debt securities	902	(188)	-	-	714
Measurement gain on direct assignment	1,465	379	-	-	1,844
Modification (restructuring) gain on financial assets	12	(12)	-	-	0
	2,379	**179**	**-**	**-**	**2,558**
	10,133	**1,739**	**342**	**-**	**12,214**

1 April 2022 to 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance as at 1 April 2022	(Charge)/ Credit in Profit & Loss	Recognised in OCI	Recognised in Other Equity	Balance as at 31 March 2023
Deferred tax asset on account of:					
Impairment of financials instruments	5,811	4,608	-	-	10,419
Preliminary expenses	18	(18)	-	-	0
Expenses allowable on payment basis	217	83	(7)	-	293
Temporary differences of written down value of intangible assets and property, plant and equipment	151	26	-	-	177
Transaction costs on loans	858	732	-	-	1,590
Lease liabilities	3	30	-	-	33
	7,058	**5,461**	**(7)**	**-**	**12,512**
Deferred tax liability on account of:					
Transaction cost on borrowings and debt securities	842	60	-	-	902
Measurement gain on direct assignment	814	651	-	-	1,465
Modification (restructuring) gain on financial assets	41	(29)	-	-	12
	1,697	**682**	**0**	**-**	**2,379**
	5,361	**4,779**	**(7)**	**-**	**10,133**

32. Earnings per share

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net profit attributable to equity shareholders	22,596	12,977
Adjusted net profit attributable to equity shareholders	22,596	12,977
Weighted average number of equity shares outstanding for the purpose of basic earning per share	40,56,98,666	73,11,06,738
Effects of potential equity shares on Employee Stock Options outstanding	25,71,990	25,84,069
Weighted average number of equity shares in computing diluted earnings per share	40,82,70,656	73,36,90,807
Earnings per share		
Basic earning per share (₹)	5.57	1.77
Diluted earning per share (₹)#	5.55	1.77
Nominal value per share (₹)	10	10

Weighted average number of equity shares outstanding includes non cumulative compulsorily convertible preference shares.

33. Related party disclosures

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below.

33.1 List of related parties

Nature of relationship	Name of related party
Wholly Owned Subsidiary	Chaitanya India Fin Credit Private Limited (w.e.f. 23 November 2023)
Key Managerial Personnel (KMP)	Kumar Mangalam Birla (Director) Neerja Birla (Director) Ananyashree Birla (Director) Shankar Girija Natarajan (Independent Director) Meena Jagtiani (Independent Director) Vineet Bijendra Chattree (Director) Anujeet Varadkar (Chief Executive Officer) Vrushali Vishal Mahajan (Chief Financial Officer) Surinder Kumar Bhatia (Company Secretary)
Other Related Parties	Svatantra Holdings Private Limited IGH Holdings Private Limited
(Parties on which KMP's of the Company are able to exercise control)	Vodafone Idea Limited (w.e.f. 20 April 2023) Svatantra Microfin Employee Gratuity Fund Svatantra Online Services Private Limited Aditya Birla Education Trust Ananya Birla Foundation Aditya Birla Sun Life Insurance Company Limited

33.2 Transactions during the year with related parties :

(All amounts in ₹ Lakhs unless otherwise stated)

Nature of transactions	Transactions with	For the year ended 31 March 2024	For the year ended 31 March 2023
Issue of compulsorily convertible preference shares	Svatantra Holding Private Limited	-	15,000
	IGH Holdings Private Limited	1,10,000	-
CSR expenses	Aditya Birla Education Trust	-	15
	Ananya Birla Foundation	40	-
Income Marketing Services	Aditya Birla Sun Life Insurance Company Limited	898	966
Services received	Vodafone Idea Limited (arm length price)	8	-
	Svatantra Online Services Private Limited	4	-
Director's Sitting Fees	Shankar Girija Natarajan	4	2
	Meena Jagtiani	3	2
Remuneration			
	Anujeet Varadkar	103	83
	Vrushali Vishal Mahajan	103	83
	Surinder Kumar Bhatia	59	45
ESOP Grants (in nos.)			
	Vineet Bijendra Chattree	-	21,887
	Anujeet Varadkar	-	22,769
	Vrushali Vishal Mahajan	-	21,269
	Surinder Kumar Bhatia	-	16,768

Note:

1. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Svatantra Microfin Employee Gratuity Fund).
2. Employee benefits in relation to gratuity are calculated at the Company level and hence not considered in above disclosure.

33.3 Closing balances :

(All amounts in ₹ Lakhs unless otherwise stated)

Transactions with	As at 31 March 2024	As at 31 March 2023
Svatantra Holdings Private Limited	65,500	65,500
IGH Holdings Private Limited (Compulsorily Convertible Non-Cumulative Preference Shares)	1,10,000	-

34. Capital management risk

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio (""CRAR"") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.
The Company has a board approved policy on resource planning which states that the resource planning of the Company shall be based on its Asset Liability Management (ALM) requirement. The policy of the Company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Regulatory capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Tier I Capital	95,378	1,02,578
Tier II Capital	32,117	39,689
Tier I + Tier II Capital	1,27,494	1,42,267
Risk weighted assets	6,87,821	6,37,512
Tier I CRAR	13.87%	16.09%
Tier II CRAR	4.67%	6.23%
Total CRAR	**18.54%**	**22.32%**

The Company has complied in full with all its externally imposed capital requirements over the reported period.

Loan covenants

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no substantive breaches in the financial covenants of any borrowing in the current period. Loan covenants mainly include minimum CRAR of 15%.

35. Fair value measurement

35.1 Financial instruments by category

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Category	As at 31 March 2024	As at 31 March 2023
Financial assets:			
Cash and cash equivalents	Amortized cost	99,789	54,948
Bank balances other than cash and cash equivalents	Amortized cost	8,831	49,059
Trade receivables	Amortized cost	321	371
Other receivables	Amortized cost	1,000	1,322
Loans	Amortized cost	6,40,279	6,26,736
Investments	Amortized cost	1,55,598	1,950
Other financial assets	Amortized cost	7,590	6,036
Total financial assets		**9,13,408**	**7,40,422**
Financial liabilities:			
Trade and other payables	Amortized cost	1,635	1,542
Debt securities	Amortized cost	4,990	21,930
Borrowings (other than debt securities)	Amortized cost	6,20,653	5,56,307
Subordinated liabilities	Amortized cost	40,558	47,821
Lease liabilities	Amortized cost	1,363	932
Other financial liabilities (excluding lease liabilities)	Amortized cost	11,986	9,146
Total financial liabilities		**6,81,185**	**6,37,679**

35.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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. This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. These three levels are defined based on the observability of significant inputs to the measurement, as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximize 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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

35.3 Financial assets and liabilities measured at amortized cost at each reporting date

The carrying value of cash and cash equivalents, other bank balances, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at amortized cost				
Cash and cash equivalents	99,789	99,789	54,948	54,948
Bank balances other than cash and cash equivalents	8,831	8,831	49,059	49,059
Trade receivables	321	321	371	371
Other receivables	1,000	1,000	1,322	1,322
Loans	6,40,279	6,89,734	6,26,736	6,71,545
Investments	1,55,598	1,55,598	1,950	1,950
Other financial assets	7,590	7,590	6,036	6,036
Total financial assets	**9,13,408**	**9,62,863**	**7,40,422**	**7,85,231**
Financial liabilities measured at amortized cost				
Trade payables	1,635	1,635	1,542	1,542
Debt securities	4,990	5,023	21,930	22,068
Borrowings (other than debt securities)	6,20,653	6,22,517	5,56,307	5,58,574
Subordinated liabilities	40,558	41,500	47,821	49,000
Other financial liabilities	11,986	11,986	9,147	9,147
Total financial liabilities	**6,79,822**	**6,82,661**	**6,36,747**	**6,40,331**

i) Loans - Fair value is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

ii) Borrowings - All the borrowing taken are at floating rate except few which are on fixed rate of interest and hence, its fair value are deemed to be equivalent to the carrying value adjusted with un-amortize transaction cost. Fair value of fixed loans are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

iii) Debt securities and lease liabilities - The fair value of debt securities are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

35.4 Transfer of financial assets

(i) Assignment Transaction:

The Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal and since the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognised assets :-

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of derecognised financial assets	1,21,528	1,15,862
Gain/(loss) for the year	11,772	10,861

Since the Company transferred the above financial asset in a way that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

36. Financial Risk Management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest rate risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Management Committee is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities. The Company's risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company has a Board approved Risk Management framework and has also performed ICAAP assessment. Robust Risk Management strategy is in place to manage Key risks such as Strategic, Compliance, Credit, Liquidity, Operational Risks and reporting risks.

The Company 's risk management framework is driven by its Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence and major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis."

The Audit committee oversees how management monitors compliances with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee

A. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities –debt securities, borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarizes the maturity profile of the undiscounted cash flows of the Company'sfinancial liabilities:

As at 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade and other payables	1,635	-	-	-	1,635
Debt securities	5,254		-	-	5,254
Borrowings (other than debt securities)	4,26,952	2,54,603	-	-	6,81,555
Subordinated liabilities	4,987	53,941	-	-	58,928
Other financial liabilities	11,986	-	-	-	11,986
Lease liabilities	1,363	-	-	-	1,363
Total	**4,52,177**	**3,08,544**	**-**	**-**	**7,60,721**

As at 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade and other payables	1,542	-	-	-	1,542
Debt securities	18,688	5,254	-	-	23,942
Borrowings (other than debt securities)	3,63,886	2,51,073	-	-	6,14,959
Subordinated liabilities	14,250	53,780	5,150	-	73,180
Other financial liabilities	9,146	-	-	-	9,146
Lease liabilities	932	-	-	-	932
Total	**4,08,445**	**3,10,108**	**5,150**	**-**	**7,23,703**

B. Market risk

(i) 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 currency rates. The Company is not exposed to foreign currency exposure.

(ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. Loans given to customers are at fixed rate of interest.

Details of borrowings and debt securities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings and debt securities*		
variable	5,16,826	4,22,543
fixed rate	1,52,214	2,07,099
Total borrowings	**6,69,040**	**6,29,642**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in variable interest rates (all other variables being constant) of the Company's Statement of profit and loss:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Impact on profit before tax	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Borrowings		
Increase by 50 basis points	(2,584)	(2,113)
Decrease by 50 basis points	2,584	2,113

** Holding all other variables as constant*

(iii) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The Company do not have any investment as on balance sheet date either at fair value through other comprehensive income or at fair value through profit and loss.

C. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit quality of assets

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralized risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Expected Credit loss (ECL):

Credit Quality of Loans assets:

The following table sets out information about credit quality of loans measured at amortized cost based on days past due information. The amount represents gross carrying amount.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2024	31 March 2023
Gross carrying value		
Stage 1	6,63,075	6,31,475
Stage 2	5,351	6,478
Stage 3	21,308	33,592
Total Gross carrying value as at reporting date	**6,89,734**	**6,71,545**

Management of credit risk for financial assets

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees security deposits insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company is a rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. Further, as we focus on providing micro-loans in Rural Areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. Such clients 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. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

In order to mitigate the impact of credit risk in the future profitability, the Company creates impairment loss allowance basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.The Company had restructured or rescheduled the terms of certain loan accounts in the previous year on account of COVID-19 related restructuring measures prescribed by the Reserve Bank of India. This has resulted in increased management estimation over determination of losses for such restructured loans.

Inputs considered in the ECL model

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Non-payment on another obligation of the same customer is also considered as a stage III.

Exposure at default (EAD)

The EAD represents expected outstanding exposure subject to credit risk at the period/date, when default is considered. The Company does cash flow mapping based on contractual maturity for loans in Stage II, using the exposure at default in future years and the probability of default estimation based on macro variables. For stage I and stage III, as an approximation balance sheet outstanding is used.

Loss given default (LGD)

It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. Based on an analysis of historical data, the Company has estimated the loss given default, using historical recovery experience and recovery cost. This is referred to as the workout method. Such recoveries are discounted using interest rate of the loans. While calculating LGD percentage, 100% recoveries are estimated for the cases where the recoveries are absolutely certain to happen within a short period of time.

Probability of Default (PD)

"Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 asset's a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. Historical DPD data is utilized to calculate through the cycle PD. PD analysis tracks the migration behaviour of a static pool of loans active at the end of each year across different buckets- Current-30 DPD, 31-90 DPD and 90+ DPD for the 12 month and lifetime period.

Forward looking information

Forward looking information is incorporated in the measurement of probability of default and consequently in measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of GDP growth rate as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Further, in the global pandemic Covid 19, management overlays are applied in determining forward looking scenarios. It is considered by evaluating all relevant internal and reasonably available external data namely Industrial research by various credit rating agencies.

Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company have determined all assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Any recoveries made are recognized in Statement of Profit or Loss.

Credit Risk exposure

i) Expected credit losses for financial assets other than loans

(All amounts in ₹ Lakhs unless otherwise stated)

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	99,789	-	99,789
Bank balances other than cash and cash equivalents	8,831	-	8,831
Trade receivables	321	-	321
Other receivables	1,079	79	1,000
Investments	1,55,598	-	1,55,598
Other financial assets	7,590	-	7,590

(All amounts in ₹ Lakhs unless otherwise stated)

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	54,948	-	54,948
Bank balances other than cash and cash equivalents	49,059	-	49,059
Trade receivables	371	-	371
Other receivables	1,388	66	1,322
Investments	1,950	-	1,950
Other financial assets	6,036	-	6,036

iii) Expected credit loss for loans

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at March 31 2022	**4,73,149**	**8,228**	**16,935**
Assets originated	5,68,298	3,162	3,396
Net transfer between stages			
Transfer to stage 1	(30,439)	3,752	26,686.82
Transfer to stage 2	32	(2,535)	2,503
Transfer to stage 3	3	1	(5)
Assets derecognized or collected (excluding write offs)	(3,79,568)	(6,130)	(431)
Write-Off			(15,493)
Gross carrying amount as at March 31 2023	**6,31,475**	**6,478**	**33,592**
Assets originated	4,84,179	2,146	2,977
Net transfer between stages			
Transfer to stage 1	(18,576)	3,147	15,429
Transfer to stage 2	75	(1,308)	1,233
Transfer to stage 3	35	4	(39)
Assets derecognized or collected (excluding write offs)	(4,33,111)	(2,689)	(4,516)
Write-Off	(1,002)	(2,427)	(27,368)
Gross carrying amount as at March 31 2024	**6,63,075**	**5,351**	**21,308**

Reconciliation of loss allowance provision from beginning to end of reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as on March 31 2022	**10,277**	**4,537**	**9,854**
Assets originated	33,389	-	14,772
Net transfer between stages			
Transfer to stage 1	(18,604)	2,260	16,344
Transfer to stage 2	(113)	1,017	(904)
Transfer to stage 3	31	4	(36)
Assets derecognized or collected (excluding write offs)	(5,732)	(3,684)	(10,116)
Write-Off	-	-	(8,489)
Loss allowance as on March 31 2023	**19,249**	**4,134**	**21,426**
Assets originated	30,106	1,615	5,180
Net transfer between stages			
Transfer to stage 1	(13,934)	2,360	11,573
Transfer to stage 2	2	(927)	925
Transfer to stage 3	1	3	(4)
Assets derecognized or collected (excluding write offs)	(8,841)	(1,494)	(15,059)
Write-Off	(24)	(1,679)	(5,160)
Gross carrying amount as at March 31 2024	**26,560**	**4,013**	**18,882**

Concentration of loans

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration by type of loan	As at 31 March 2024	As at 31 March 2023
Loans to body corporate - loans repayable on demand	-	-
Term loans (JLG and Individual loans)	6,89,600	6,71,328
Employee loans	134	217
Gross carrying Amount	**6,89,734**	**6,71,545**

37. Retirement benefit plans

The Company has the following defined benefits plans:

Gratuity (funded)

As per Ind AS-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

37.1

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial assumptions		
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate (per annum)	7.15%	7.25%
Rate of salary increase	7.00%	7.00%
Attrition/Withdrawal rate per annum	27.00%	27.00%

37.2

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	809	608
Interest expense	59	36
Current service cost	279	229
Past service cost	-	-
Benefit paid	(80)	(36)
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	-	(12)
Actuarial (gains) / losses on obligations - due to change in financial assumptions	4	(49)
Actuarial (gains) / losses on obligations - due to experience	69	33
Present value of obligation at the end of the year	**1,140**	**809**

37.3

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Assets and liabilities recognized in the balance sheet		
Present value of the defined benefit obligation at the end of the year	1,140	809
Fair value of plan assets at the end of the year	770	635
Net liability / (asset) recognized in the balance sheet	**370**	**174**

37.4

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning	634	349
Investment income	46	21
Benefit paid	(80)	(36)
Return on plan assets , excluding amount recognised in net interest expense	(5)	1
Employer's Contribution	175	300
Fair value of plan assets as at the year end	770	634

37.5

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses recognized in the statement of profit and loss		
Current service cost	279	229
Net interest cost	13	15
Net gratuity cost recognized in the current year	**292**	**244**

37.6

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses recognized in the statement of other comprehensive income (OCI)		
Actuarial (gains) / losses :		
Change in demographic assumptions	-	(12)
Change in financial assumptions	4	(49)
Experience variance	69	33
Return on plan assets, excluding amount recognised in net interest expense	6	(1)
Total remeasurement cost for the year recognized in OCI	**79**	**(30)**

37.7

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sensitivity Analysis:		
Delta effect of +1% change in rate of discounting	(1,098)	(778)
Delta effect of -1% change in rate of discounting	1,186	842
Delta effect of +1% change in rate of salary increase	1,185	841
Delta effect of -1% change in rate of salary increase	(1,097)	(778)
Delta effect of +50% change in rate of Attrition rate	(1,056)	(737)
Delta effect of -50% change in rate of Attrition rate	1,247	894

37.8

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Maturity analysis of projected benefit obligation		
1 year	259	161
Sum of years 2 to 5	767	568
Sum of years 6 to 10	383	279
Sum of years 11 and above	153	112

Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company has recognized Rs. 1500 lakhs and Rs. 1096 lakhs towards provident fund contributions in the Statement of Profit and Loss for the year ended 31 March 2024 and 31 March 2023, respectively.

38. Leases

Company as lessee

The Company's leased assets primarily consist of leases for head office & branch premises. The Company's long term leases are for a period of 3 to 5 years. The Company has applied short term exemption for leases for branch premises accordingly are excluded from Ind AS 116.

(i) Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Total
As at 31 March 2022	**282**
Additions	879
Deletions	173
Depreciation expenses for the year	152
As at 31 March 2023	**835**
Additions	723
Deletions	-
Depreciation expenses for the year	221
As at 31 March 2024	**1,338**

(ii) Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Total
As at 31 March 2022	**272**
Additions	840
Accretion of interest	39
Payment	218
As at 31 March 2023	**932**
Additions	609
Accretion of interest	118
Payment	297
As at 31 March 2024	**1,363**

The maturity analysis of lease liabilities are disclosed in Note 43.

The effective interest rate for lease liabilities is varying from 10.08% -10.40%, with maturity between 2019-2027

(iii) The following are the amounts recognized in profit or loss:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense of right-of-use assets	221	152
Interest expense on lease liabilities	118	39
Expense relating to short-term leases (included in other expenses)	1,413	1,206
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (if any, included in other expenses)	-	-

The Company had total cash outflows for leases of Rs 1710 lakhs in FY 2023-24 (1424 lakhs in FY 2022-23).

39 Segment information

39.1 Business segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

39.2 Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended 31 March 2024 and 31 March 2023

The Company operates in single geography i.e. India and therefore, geographical information is not required to be disclosed separately.

40. Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) 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 Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

41 Share based payments

A. Employee stock option plan (ESOP)

The company has provided various equity settled share based payment schemes to its employees. On 10 October 2017 and 20 June 2022, the members of the company vide special resolution approved the Employee Stock Option Plan ('ESOP') scheme namely ESOP 2017 and ESOP Scheme 2022 respectively. The details are ESOP scheme as at 31 March 2024 are as follows. :-

Particulars	Grant	Phase	Number of Options granted	Vesting Period (In years)	Vesting Conditions
ESOP Scheme 2017	Grant-I	Phase-I	1,44,625	1 year from grant date	Continuous service
	Grant-I	Phase-II		2 year from grant date	Continuous service
	Grant-I	Phase-III		3 year from grant date	Continuous service
	Grant-II	Phase-I	3,24,481	1 year from grant date	Continuous service
	Grant-II	Phase-II		2 year from grant date	Continuous service
	Grant-II	Phase-III		3 year from grant date	Continuous service
	Grant-III	Phase-I	4,64,382	1 year from grant date	Continuous service
	Grant-III	Phase-II		2 year from grant date	Continuous service
	Grant-III	Phase-III		3 year from grant date	Continuous service
	Grant-IV	Phase-I	7,07,938	1 year from grant date	Continuous service
	Grant-IV	Phase-II		2 year from grant date	Continuous service
	Grant-IV	Phase-III		3 year from grant date	Continuous service
ESOP Scheme 2022	Grant-V	Phase-I	8,03,381	1 year from grant date	Continuous service
	Grant-V	Phase-II		2 year from grant date	Continuous service
	Grant-V	Phase-III		3 year from grant date	Continuous service
	Grant-VI	Phase-I	1,27,183	1 year from grant date	Continuous service
	Grant-VI	Phase-II		2 year from grant date	Continuous service

Exercise period for all the above schemes is occurrence of liquidity event which is as follows :-

a.Listing of equity shares on the recognized stock exchange.

b. Strategic Sale event conferring a right of drag along to the Current Shareholders.

c. Offer of purchase of shares from Option Grantees having Vested Options made by an investor.

d. Cash Settlement or Buy-back event whereby the Company makes an offer for settlement of the Vested Options with the Option Grantee or purchase Shares underlying Vested Options.

e. Any other event, which Board may designate as a liquidity event"

The expense recognised for employee services received during the year is Rs.53.29 Lakhs.

(i) The following table lists the input to the Black Scholes models used for the options granted during the year ended 31 March 2024

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Date of Grant	20/11/17	01/06/18	15/07/19	15/07/20	01/10/22	20/02/24
Date of Board Meeting, where ESOP/ESOS were approved	08/09/17	08/09/17	08/09/17	08/09/17	26/05/22	20/02/24
Date of shareholders' approval	10/10/17	10/10/17	10/10/17	10/10/17	20/06/22	20/06/22
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period						
Exercise period	Occurrence of Liquidity event					
Vesting conditions	Continuous service					
Weighted average of remaining contractual Life in Years	Dependent upon happening of liquidity event* (assumed to be 5 years for calculation purpose)					

(ii) The details of activity under ESOP Scheme 2017 Plan and ESOP Scheme 2022 Plan with an exercise price for the year ended 31 March 2024 have been summarised as below:

Particulars	ESOP Scheme 2017 Plan				ESOP Scheme 2022 Plan	
	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Exercise Price per Share (Rs)	16	16	20	20	23	20
Number of options Outstanding at the beginning of the year	1,44,625	3,24,481	464,382	7,30,393	9,06,009	-
Number of options Granted during the year	-	-	-	-	-	1,27,183
Number of Options Exercised during the year	-	-	-	-	-	-
Number of Options Lapsed during the year	-	-	-	22,455	1,02,628	-
Number of Options outstanding at the end of the year	1,44,625	3,24,481	4,64,382	7,07,938	8,03,381	1,27,183

(iii) Details of Stock Options granted during the year

The Weighted average exercise price of options granted on 20 November 2017, 1 June 2018, 15 July 2019, 15 July 2020, 01 October 2022 and 20 February 2024 is INR 15.91, INR 15.72, INR 20, INR 20, INR 23 and INR 20 respectively. The Black -Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Share price on the date of Grant (Rs.)	15.91	15.72	19.70	19.80	22.77	20.00
Exercise Price (Rs.)	15.91	15.72	20.00	20.00	23.00	20.00
Expected Volatility(%)	0.01%	50%	50%	50%	60%	50%
Life of the options granted in year	For grants vesting in year 1: 3.5 years For grants vesting in year 2: 4.51 years For grants vesting in year 3: 5.51 years	5 year	5 year	5 year	5 year	5 year
Risk Free Interest Rate(%)	For grants vesting in year 1: 6.62% For grants vesting in year 2: 6.77% For grants vesting in year 3: 6.90%	7.99%p.a.	6.51% p.a	4.94% p.a	7.45% p.a	7.18% p.a
Expected dividend rate(%)	0%	0%	0%	0%	0%	0%
Fair Value of the option (Rs.)	4.06	8.47	10.11	9.75	13.37	80.52

42. Maturity analysis of assets and liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	99,789	-	99,789	54,948	-	54,948
Bank balances other than cash and cash equivalents	-	8,831	8,831	41,776	7,283	49,059
Trade receivables	321		321	371	-	371
Other receivables	1,000		1,000	1,323	-	1,323
Loans	3,94,396	2,45,883	6,40,279	3,86,222	2,40,514	6,26,736
Investment	-	1,55,598	1,55,598			
Other financial assets	7,412	178	7,590	5,946	2,040	7,986
Non financial assets						
Current tax assets (net)	620		620	350	-	350
Deferred tax assets (net)	-	12,214	12,214	-	10,133	10,133
Property, plant and equipment		1,503	1,503	-	1,246	1,246
Right of Use assets		1,338	1,338	-	835	835
Other intangible assets		231	231	-	120	120
Other non-financial assets	521	377	898	1,367	-	1,367
Total assets	**5,04,059**	**4,26,154**	**9,30,212**	**4,92,303**	**2,62,171**	**7,54,474**
Liabilities						
Financial liabilities						
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,091		1,091	721	-	721
Other payables						
- Total outstanding dues of micro enterprises and small enterprises	-		-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	544		544	821	-	821
Debt securities	4,990	-	4,990	17,043	4,887	21,930
Borrowings	3,57,068	2,63,585	6,20,653	3,22,513	2,33,795	5,56,307
Subordinated liabilities	-	40,558	40,558	7,458	40,363	47,821
Lease liabilities	1,363		1,363	932		932
Other financial liabilities	11,986		11,986	9,147	-	9,147
Non financial liabilities						
Provisions	1,403	370	1,773	989	198	1,187
Other non financial liabilities	657		657	641	-	641
Total liabilities	**3,79,102**	**3,04,513**	**6,83,615**	**3,60,265**	**2,79,243**	**6,39,508**

43. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities as of 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Deposits	Advances	Investments	Stock of securities	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 day to 7 days	-	24,853	-	-	5,634	-	-
8 day to 14 days	-	10,291	-	-	12,567	-	-
15 day to 30/31 days	-	76	-	-	11,185	-	-
Over one month to 2 months	-	36,566	-	-	29,564	-	-
Over 2 months up to 3 months	-	36,687	-	-	41,861	-	-
Over 3 months to 6 months	-	1,08,666	-	-	1,06,651	-	-
Over 6 months to 1 year	-	177,257	-	-	1,54,596	-	-
Over 1 year to 3 years	-	2,45,869	-	-	2,67,661	-	-
Over 3 years to 5 years	-	14	-	-	36,482	-	-
Over 5 years	-	-	1,55,598	-	-	-	-
Total	**-**	**6,40,279**	**1,55,598**	**-**	**6,66,201**	**-**	**-**

Maturity pattern of certain items of Assets and Liabilities as of 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Deposits	Advances	Investments	Stock of securities	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 day to 7 days	-	18,535	-	-	3,434	-	-
8 day to 14 days	-	11,972	-	-	6,727	-	-
15 day to 30/31 days	-	76	-	-	10,324	-	-
Over one month to 2 months	-	32,735	-	-	24,470	-	-
Over 2 months up to 3 months	-	33,049	-	-	46,356	-	-
Over 3 months to 6 months	-	1,01,579	-	-	87,024	-	-
Over 6 months to 1 year	-	1,69,027	-	-	1,68,678	-	-
Over 1 year to 3 years	-	2,47,591	1,950	-	2,38,429	-	-
Over 3 years to 5 years	-	6	-	-	35,811	-	-
Over 5 years	-	12,165	-	-	4,805	-	-
Total	**-**	**6,26,736**	**1,950**	**-**	**6,26,058**	**-**	**-**

44. Comparison between IRACP and impairment allowance made under IND AS 109

Loan Classification as of 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

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
Performing assets						
	Stage 1	6,63,075	26,560	6,36,515	2,608	23,952
	Stage 2	5,351	4,013	1,338	20	3,993
Subtotal		**6,68,426**	**30,573**	**6,37,853**	**2,628**	**27,945**
Non performing assets						
More than 90 days	Stage 3	21,308	18,882	2,426	12,017	6,865
Subtotal of doubtful		**21,308**	**18,882**	**2,426**	**12,017**	**6,865**
Total	Stage 1	6,63,075	26,560	6,36,515	2,607.95	23,952
	Stage 2	5,351	4,013	1,338	20.33	3,993
	Stage 3	**21,308**	**18,882**	**2,426**	**12,017**	**6,865**
	Total	**6,89,733**	**49,455**	**6,40,279**	**14,645**	**34,810**

Loan Classification as of 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

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
Performing assets						
	Stage 1	6,31,475	19,249	6,12,226	-	19,249
	Stage 2	6,478	4,134	2,344	-	4,134
Subtotal		**6,37,953**	**23,383**	**6,14,570**	**-**	**23,383**
Non performing assets						
More than 90 days	Stage 3	33,592	21,426	12,165	20,704	722
Subtotal of doubtful		**33,592**	**21,426**	**12,165**	**20,704**	**722**
Total	Stage 1	6,31,475	19,249	6,12,226	-	19,249
	Stage 2	6,478	4,134	2,344	-	4,134
	Stage 3	33,592	21,426	12,165	20,704	722
	Total	**6,71,545**	**44,809**	**6,26,736**	**20,704**	**24,105**

45 Corporate social responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, including special education and employment enhancing vocation skills, eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil air and water. The unspent CSR amount to be utilised in next three financial years for the ongoing projects have been identified during the financial year 2023-24.

a) Amount required to be spent by the Company during the year:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount required to be spent as per section 135(5)	181	99
Amount of expenditure incurred	49	26
Unspent at the end of the year transferred to Unspent CSR Account (on account of ongoing projects identified)	132	73

b) Movement of Unspent CSR Balance on account of ongoing projects:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars		Amount
Unspent CSR for the financial year 2022-2023	(A)	73
Amount spent for previous year's ongoing projects in financial year 2023-2024	(B)	73
Balance of unspent CSR for the financial year 2022-2023	(C = A - B)	-
Current Year Unspent CSR	(D)	132
Balance of Unspent CSR as of 31 March 2024	(E = C + D)	132

c) Details of the CSR activities

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the Entity	Nature of Activity	Amount	Status of Project
Ananya Birla Foundation	"Mental health research project in rural area	40	Spent
Pangea EcoNetAssets Pvt Ltd	Grow trees	9	Spent
Total		**49**	

d) Details of CSR activities with Related party

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the Entity	For the year ended 31 March 2023
Ananya Birla Foundation	40

46 Company holds a Management Overlay provision of Rs.11,966 laks as on 31 March 2024. The overlay taken is in lieu of likely scenario and its impact on the portfolio quality in the states of Punjab and Haryana and additional write off due to change in the 'write-off policy' from current ODs (overdue) 365 days to 180 days, to be proposed and adopted in FY 2024-25.

47 Dividend (not recognised as liability as at 31 March 2024)

The board of directors, in their meeting held on 29 May 2024, declared an interim dividend of 5% Compulsorily Convertible Non-Cumulative Preference fully equity in nature as per IND AS 32 (financial Instruments-presentation) for FY 2023-24. This will entail a payout of Rs. 5,229 lakhs for FY 2023-24. The dividend is declared after the reporting date and hence not recognised as a liability as at 31 March 2024. The disclosure has been provided as per IND AS 1 (presentation of financial statements). The same will be placed in the ensuing Annual general meeting of the company for noting by the shareholders.

48 Details of Benami Property held

There are NIL proceedings have initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

49 Wilful Defaulter:

The Company is not declared as wilful defaulter by any bank or financial institution or other lender during the financial year 2023-24.

50 Relationship with struck off companies

(All amounts in ₹ Lakhs unless otherwise stated)

Name of Struck off Company	Nature of transactions	Balance outstanding as at 31 March 2024	Relationship with the Struck off company
Nil	Nil	Nil	Nil

51 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within statutory period by the Company

52 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

53 Compliance with approved Scheme(s) of Arrangements

During the Financial year 2023-2024 the company does not have any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

54 Utilisation of Borrowed funds and share premium:

During the Financial year 2023-2024 the Company has not advanced or loaned or invested fund to/with any other person (s) or entities with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

55 Undisclosed income

The Company did not have any undisclosed income during in tax assessments during the financial year 2023-2024 under the Income Tax Act, 1961

56 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2023-2024.

The following table sets out the disclosure as required by the notification no.DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 issued by RBI, as amended.

57 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio under RBI Guidelines:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2024
i) CRAR (%)	18.54%	22.32%
ii) CRAR – Tier I Capital (%)	13.87%	16.09%
iii) CRAR – Tier II Capital (%)	4.67%	6.23%
iv) Amount of subordinated debt as Tier - II debt	23,519	31,770
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

58. Liquidity Coverage Ratio (LCR)

Disclosure of Liquidity Risk Management as per Master Direction — Reserve Bank of India (Non-Banking Financial Company — Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Quarter 30 June 2023		Quarter 30 September 2023		Quarter December 2023		Quarter 31 March 2024	
Particulars	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**	**Total Unweighted Value (average)**	**Total Weighted Value (average)**
High Quality Liquid Assets								
**Total High Quality Liquid Assets (HQLA)	88,330	88,330	33,307	33,307	37,972	37,972	1,04,723	1,04,723
Cash Outflows	-				-		-	-
Deposits (for deposit taking companies)	-	-			-		-	-
Unsecured funding and Secured funding	38,433	44,198	38,124	43,842	41,935	48,225	42,104	48,420
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	10,928	12,567	11,519	13,247	11,329	13,028	13,599	15,639
Other contingent funding obligations	7,889	9,072	5,778	6,644	4,667	5,367	3,111	3,578
Operational Expenses	3,000	3,450	3,000	3,450	3,000	3,450	3,500	4,025
Total Cash Outflows	**60,250**	**69,287**	**58,421**	**67,183**	**60,931**	**70,070**	**62,314**	**71,661**
Cash Inflows								
Secured lending								
Inflows from fully performing exposures	54,046	40,535	56,584	42,438	56,198	42,149	57,077	42,808
Other cash inflows	-	-	-	-	-	-		
Total Cash Inflows	**54,046**	**40,535**	**56,584**	**42,438**	**56,198**	**42,149**	**57,077**	**42,808**
Total HQLA	-	88,330		33,307		37,972	-	1,04,723
Total Net Cash Outflows	-	28,752		24,745		27,921	-	28,854
Liquidity Coverage Ratio (%)		307%		135%		136%		363%

**HQLA comprises of Cash and Fixed Deposit.

59 Investments

During the year ended 31 March 2024, the Company has invested INR 1,55,598 Lakhs to acquire 100% stake of Chaitanya India Fin Credit Private Limited ("Chaitanya") a Non-Banking Financial Company-Micro Finance Institution registered with RBI.

60 Derivatives

The Company did not have any transactions in Derivatives during current and previous financial year.

61 Disclosures relating to Direct Assignment and Securitization and Asset Reconstruction

61.1 Details of loan transferred/ acquired during the year ended 31 March 2024 under the RBI master Direction on transfer of loan exposure vide circular no. RBI/DOR/2021-22/86 DOR.STR. REC.51/21.04.048/2021-22, Dt. 24 September 2021 are given below:

(i) Detail of transfer through Direct assignment in respect of loans not in default during the financial year 2023-2024.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Number of Loans	3,76,145	3,43,595
Aggregate Amount	1,21,528	1,15,862
Sale Consideration	1,09,375	1,04,276
Number of transactions	6	7
Weighted Average remaining maturity (Month)	16	17.38
Weighted Average holding period after origination (Month)	8	5.93
Retention of beneficial economic interest	10%	10%
Coverage of tangible security coverage	-	-
Rating wise distribution of rated loans	-	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-	-
Number of transferred loans replaced	-	-

ii The Company has not transferred any non performing assets (NPAs).

iii The Company has not acquired any loans through Direct assignment.

iv The Company has not acquired any stressed loan.

61.2 Disclosures relating to Assignment transaction

During the year, the Company has entered into Direct Assignment ("DA") with banks ("Assignee") for direct assignment of its portfolio loans provided to various persons from time to time ("Receivables"). This has been duly approved by Board of Directors. Pursuant to this, following transactions have taken place during the year :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Total sanctioned receivables	1,21,528	1,15,862
No of accounts (Nos.)	3,76,145	3,43,595
Receivables assigned during the year	1,21,528	1,15,862
Minimum retention reserve for the Company	12,153	11,586
Payment made by Assignee for their purchased share	1,09,375	1,04,276
Net gain on derecognition of financial instruments under amortized cost category	11,772	10,861
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

Further, pursuant to this transaction following closing balances are outstanding in the books of SMPL:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Payables toward DA transaction	9,008	5,524
Minimum retention reserve	9,973	8,974

61.3 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) No. of accounts	-	22,040
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	2,243
(iii) Aggregate consideration	-	2,243
(iv) Weighted Average remaining maturity of the loans transferred (Month)	-	4
(v) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(vi) Aggregate gain / loss over net book value	-	-
(vii) Investment in security receipts	-	1,950

62. Disclosure on Liquidity Risk

Background:

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at 31 March 2024 is as under:

i) Funding Concentration based on significant counterparty

Number of Significant Counterparties	Rs. In lakhs	% of Total Deposits	% of Total Liabilities
25	6,03,965	NA	88%

Notes:

A Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Non-Banking Financial Company Non-Deposit taking Systemically Important (NBFC-NDSI), Non-Banking Financial Company Deposit taking (NBFC-Ds) total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus basis extant regulatory ALM guidelines.

ii) Top 20 large deposits (amount in Crore and % of total deposits) - Not Applicable

iii) Top 10 borrowings

Rs. In lakhs	% of Total Borrowings
3,96,386	59%

Note:

Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines

iv) Funding Concentration based on significant instrument / Product

Name of the Instrument/Product	Rs. In lakhs	% of Total Liabilities
Term Loan	5,51,479	81%
Non Convertible Debentures (NCD)	40,330	6%
External Commercial Borrowing (ECB)	12,157	2%

Note:

A "Significant instrument/product" is defined as a single instrument accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities.

v) Stock Ratios:

Stock Ratio	%
i) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	-
ii) Non-convertible debentures (original maturity of less than one year) as a % of total assets	-
iii) Other short-term liabilities as a % of total liabilities	55%
iv) Other short-term liabilities as a % of total assets	41%

Note:

Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk faced by the Company. The RMC meets as and when required to review and monitor the risks associated with the business of the Company.

The Board of Directors has also constituted Asset Liability Committee (ALCO), which address concerns regarding Asset Liability mismatches of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to address concerns regarding asset liability mismatches, achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity, address concerns regarding interest rate risk exposure and to do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws. ALCO meetings are held at regular intervals and the minutes of the meeting is placed before the Board of Directors for its perusal/ratification.

63. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

Refer note : 43

64.Exposures

64.1 Exposures to Real Estate Sector

The Company has no exposure to the real estate directly or indirectly in the current and previous financial year.

64.2 Exposures to Capital Market

The Company has no exposure to the capital market directly or indirectly in the current and previous financial year.

65 Details of financing of parent company products

The Company was not involved in the financing of Parent Company products.

66 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has not exceeded the prudential exposure limits during the current and previous financial year by the Company.

67 Unsecured Advances

Refer "Note 5" of standalone Financial statements.

68 Miscellaneous

68.1 Registration obtained from other financial sector regulators

The Company is registered with the following other financial sector regulators:

(i) Ministry of Corporate Affairs

68.2 Disclosure of penalties imposed by RBI and other regulators

No penalty imposed by RBI and other regulators during the current and previous financial year.

68.3 Related Party Transactions

(i) All material transactions with related parties are disclosed in "Note 33" of the standalone financial statements.

(ii) The Company has the policy on dealing with Related Party Transactions which is available on its website www.svatantramicrofin.com.

68.4 Ratings assigned during the year

During the current year, the credit rating agencies have assigned the following credit ratings to the Company:

Name of the Instrument/Product	Current Rating	Previous rating
a) MFI Grading	M1(SMERA)	M1(SMERA)
b) Bank loan rating	CRISIL AA-(Stable)	CRISIL A+(stable)
c)Bank loan rating	CRISIL AA-(Stable)	CARE AA-; Stable
d) Subordinated Debt of INR 155 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
d) Subordinated Debt of INR 125 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
e) NCD of INR 90 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
f) NCD of INR 350 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
g) NCD of INR 70 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
h) Short Term Debt of INR. 100 Crore	CRISIL A1+	CRISIL A1+
I) Subordinated Debt of INR 75 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
j) Subordinated Debt of INR 75 Crores	Withdrawn	ICRA A+/Stable
k) Subordinated Debt of INR 75 Crores	Withdrawn	CARE AA-; Stable
l) NCD of INR 50 Crores	Withdrawn	CARE AA-; Stable
m) NCD of INR 100 Crores	CARE AA-; Stable	CARE AA-; Stable
n) Subordinated Debt of INR 50 Crores	CRISIL AA-(Stable)	CRISIL A+(stable)
o)Commercial paper of INR 700 Crores	CRISIL A1+	NA

68.5 Remuneration of Directors

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the directors	As at 31 March 2024	As at 31 March 2023
Shankar Girija Natarajan	4	2
Meena Jagtiani	3	2

68.6 Net Profit or Loss for the year, prior period items and changes in accounting policies

The standalone financial statements for the year ended March 31, 2024 have been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI'), wherever applicable. There is no change in accounting policies during the financial year 2023-2024.

68.7 Revenue Recognition

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

68.8 Ind AS 110 -Consolidated Financial Statements (CFS)

The Company has acquired a 100% stake in Chaitanya India Fin Credit Private Limited ("the Subsidiary Company") effective 23 November 2023. For the purpose of preparing the consolidated financial statements, the Company has used 30 November 2023, as the cut-off date. There have been no material or exceptional transactions during this period that could materially impact the consolidated financial statements.

69 Additional Disclosures

69.1 Provisions and Contingencies

(All amounts in ₹ Lakhs unless otherwise stated)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Provisions for security receipts*	1,281	-
ii) Provision towards standard asset	7,190	8,103
iii) Provision for non-performing assets	(2,545)	12,038
iv) Provision made towards Income tax (Including deferred tax and earlier period tax adjustments)	6,944	4,254
v) Other provision and contingencies (employee benefits)*	1,070	836
vi) Provision on other assets	79	2

* Includes actuarial gain/(loss) and provision made for investment in security receipts classified under other comprehensive income

69.2 Draw Down from Reserves

There have been no drawdown from Reserves during the current and previous financial years

69.3 Concentration of Deposits, Advances, Exposures and NPAs

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of Deposits (for deposit taking NBFCs)	As at 31 March 2024	As at 31 March 2023
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of Advances	As at 31 March 2024	As at 31 March 2023
Total Advances to twenty largest borrowers	59	50
Percentage of advances to twenty largest borrowers to Total advances of applicable NBFC	0.01%	0.01%

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of Exposures	As at 31 March 2024	As at 31 March 2023
Total Exposure to twenty largest borrowers / customers (Including interest accrued and due)	60	50
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.01%	0.01%

Concentration of NPAs	As at 31 March 2024	As at 31 March 2023
Total Exposure to top four NPA accounts	6	6

(All amounts in ₹ Lakhs unless otherwise stated)

69.4 Movement of NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Net NPAs to Net Advances (%)	0.38%	1.94%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	33,592	16,935
(b) Additions during the year	19,600	32,581
(c) Reduction/write off during the year	(31,884)	(15,924)
(d) Closing balance	21,308	33,592
(iii) Movement of NPAs (Net)		
(a) Opening balance	12,165	7,080
(b) Additions during the year	1,926	2,405
(c) Reduction/write off during the year	(11,665)	2,680
(d) Closing balance	2,426	12,165
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening balance	21,426	9,854
(b) Additions during the year	17,674	30,176
(c) Reduction/write off during the year	(20,219)	(18,604)
(d) Closing balance	18,881	21,426

69.5 Overseas Assets

During the year, there are no overseas assets in the Company.

69.6 Off-Balance Sheet SPVs sponsored

During the year, there are no off-balance sheet SPVs sponsored by the Company.

69.7 Customer Complaints

Particulars	As at 31 March 2024	As at 31 March 2023
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	420	32
No. of complaints redressed during the year	398	31
No. of complaints pending at the end of the year	23	1

69.8 Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2024	As at 31 March 2023
Complaints received by the Company from its customers	-	-
1. Number of complaints pending at the beginning of the year	1	-
2. Number of complaints received during the year	420	32
3. Number of complaints disposed during the year	398	31
3.1 Of which, number of complaints rejected by the Company	208	-
4. Number of complaints pending at the end of the year	23	1
Maintainable complaints received by the Company from Office of Ombudsman		
5. Number of maintainable complaints received by the Company from Office of Ombudsman	4	-
5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	4	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the scheme.

69.9 Top five grounds of complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
For the year ended 31 March 2024					
1.Staff behaviour (employee coordination with client)	-	173	1231%	5	-
2.Transaction related (EMI, foreclosure, etc)	-	205	2178%	14	-
3.Insurance related (settlement)	1	24	380%	4	-
4.Loan related (excess interest charged, amount wrongly credited, closure etc)	-	6	50%	-	-
5.CIC data updation	-	5	400%	-	-
6.Others	-	7	-		
Total		**420**		**23**	
For the year ended 31 March 2023					
1. Staff behaviour (employee coordination with client)	-	13	100%	-	
2. Transaction related (EMI, foreclosure, etc)	-	9	-47%	-	
3. Insurance related (settlement)	-	5	150%	-	
4. Loan related (excess interest charged, amount wrongly credited, closure etc)	-	4	-60%	-	
5. CIC data updation	-	1	100%	-	
6. Others	-	-	0%		
Total		**32**		**-**	

70. Disclosure of frauds reported during the year ended 31 March 2024

Particulars	No. of cases	Amount of fraud	Recovery	Pending Settlement	Amount written-of
A) Person Involved					
Staff	537	88	51	37	Nil
Customers	-	-	-	-	-
Staff and Customers	-	-	-	-	-
Outsider	-	-	-	-	-
B) Type of Fraud					
Misappropriation and Criminal Breach of Trust	535	68	45	23	Nil
Fraudulent Encashment/ Manipulation of books of accounts	-	-	-	-	-
Unauthorized Credit/ Facility extended	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-
Cheating and Forgery	2	20	6	14	-
Others	-	-	-	-	-

Disclosures required by the RBI vide Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22 October 2021

71 Sectoral Exposure

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	5,90,887	23,168	3.9%	5,83,165	31,676	5.4%
2. MSME	-	-		-	-	
3. Services	26,001	1,539	5.9%	26,572	1,034	3.9%
4. Personal loans						
i. Housing (Including Priority Sector Housing)	-	-	-	-	-	
ii. Loan Against Property	-	-	-	-	-	
iii. Other Personal loans	1,55,569	5,804	3.7%	1,40,204	7,245	5.2%
Total of Personal loans (i. + ii. + iii.)	1,55,569	5,804	3.7%	1,40,204	7,245	5.2%

71.1 Loans to Directors, senior officers and relatives of Directors

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

72. The Company has no intra-group exposure as at current and previous financial year end.

73. There has been no divergence in asset classification and provisioning requirements as assessed by RBI during the year ended 31 March 2024 and 31 March 2023

74. Restructure Loan Portfolio

Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 05 May 2021 pertaining to Resolution Framework for COVID-19-related Stress.

Format - B

(All amounts in ₹ Lakhs unless otherwise stated)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
	(A)	(B)	(C)	(D)	(E)
Personal loan	-	-	-	-	-
Corporate loan	-	-	-	-	-
Of which,MSMEs	-	-	-	-	-
Other	313	134	-	138	41
Total	**313**	**134**	**-**	**138**	**41**

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

76. In the opinion of the management, the current assets, non-current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

77. Balances of certain receivables, payables, short term loans and advances and long term loans and advances are subject to confirmation and reconciliation if any. The management does not expect any material difference affecting the standalone financial statements on such reconciliation / confirmation.

78. The Company is registered with the Reserve Bank of India (RBI) as a "Non Banking Financial Company- Micro Finance Institution" vide Certificate of Registration dated February 05, 2013.

79. "Master Direction– Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions,RBI/DOR/2021-22/89 DoR.FIN. REC.95/03.10.038/2021-22 dated March 14, 2022, (Updated as on July 25, 2022) a Micro Finance Institution (MFI) is required to have not less than 75% of its 'Total Assets' in the nature of 'Qualifying Assets'. As at March 31, 2024, the Company is in compliance with this condition as its 'Qualifying Assets' is more than 75% of its 'Total Assets'.

80. Additional disclosures pursuant to the RBI/2021-22/112DOR.CRE.REC.No. 60/03.10.001/2021-22 dated October 22, 2021 on Scale Based Regulation (SBR) : A Revised Regulatory Framework for NBFCs
The Company is a non-listed NBFC and the Corporate Governance Disclosure is covered under the corporate governance/ appropriate section of the Annual Report.

81. The disclosure as required by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated 19th October, 2023 is given in "Annexure I".

82. Additional Regulatory Information pursuant to Division III of Schedule III of Companies Act, 2013 has been disclosed to the extent applicable to the Company, as amended from time to time

83. "Events after the reporting date
There have been no other events after the reporting date that require disclosure in these standalone financial statements."

Signature to Note 1 to 83

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Pranav Jain
Partner
Membership No. 098308
Place : Mumbai
Date : 29 May 2024

Sd/-
Ananyashree Birla
Director
DIN No. 06625036
Place : Mumbai
Date : 29 May 2024

Sd/-
Vineet Bijendra Chattree
Director
DIN No. 07962531
Place : Mumbai
Date : 29 May 2024

Sd/-
Vrushali Mahajan
Chief Financial Officer
Place : Mumbai
Date : 29 May 2024
Date : 29 May 2024

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227
Place : Mumbai

Annexure I

Schedule to the Balance Sheet

of a non deposit taking non banking financial company as on 31 March 2024

Disclosure as required by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated 19th October, 2023

	Particulars	(Amount Rupees in Lakhs)	
	Liabilities side		
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid**	**Amount outstanding**	**Amount Overdue**
	(a) Debentures		
	Secured	1,254	Nil
	Unsecured		Nil
	(Other than falling within the meaning of public deposits*)	3,736	
	(b) Deferred credits	Nil	Nil
	(c) Term loans	6,20,653	Nil
	(d) Inter-corporate loans and borrowings	-	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits*	Nil	Nil
	(g) Other Loans: Subordinated liabilities	40,558	Nil
	*Refer note no. 1 below		
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
	* Please see Note 1 below		
	Asset side		
3	**Break up of loans and advances including bills receivables other than those included in (4) below**		
	(a) Secured	-	
	(b) Unsecured	6,40,279	
4	**Break up of leased assets and stock on hire and hypothecation loans counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	NA	
	(b) Operating lease	NA	
	(ii) Stock on the hire including hire charges under sundry debtors :		
	(a) Assets on hire	NA	
	(b) Repossessed assets	NA	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	NA	
	(b) Loans other than (a) above	NA	

5	**Break up of investments**	**Amount outstanding (Rupees in Lakhs)**
	Current investments	
1	**Quoted**	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil
2	**Unquoted**	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil
	Long term investments	
1	**Quoted**	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil
2	**Unquoted**	
	(i) Shares	
	(a) Equity	1,55,598
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil

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

	Category	**Amount Net of Provisions** (Rupees in Lakhs)	
1	**Related parties**	**Secured**	**Unsecured**
(a)	Subsidiaries	Nil	Nil
(b)	Companies in the same group	Nil	Nil
(c)	Other related parties	Nil	Nil
2	**Other than related parties**	Nil	6,40,279
	Total	**Nil**	**6,40,279**

7 Investor Group Wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	**Amount outstanding** (Rupees in Lakhs)	
		Market value/ break up of fair value or NAV	Book value (net of provision)
1	Related parties		
(a)	Subsidiaries	Nil	Nil
(b)	Companies in the same group	Nil	Nil
(c)	Other related parties	Nil	Nil
2	**Other than related parties**	Nil	Nil
	Total	**Nil**	**Nil**

8 (Rs. In Lakhs)

Sr. No.	Particulars	As at 31 March 2024
(i)	Gross non-performing assets	
(a)	Related parties	-
(b)	Other than related parties	21,308
(ii)	Net non-performing assets	
(a)	Related parties	-
(b)	Other than related parties	2,426
(iii)	Assets acquired in satisfaction of debts	-

Notes:

1. As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Ananyashree Birla
Director
DIN No. 06625036
Place : Mumbai
Date : 29 May 2024

Sd/-
Vineet Bijendra Chattree
Director
DIN No. 07962531
Place : Mumbai
Date : 29 May 2024

Sd/-
Vrushali Mahajan
Chief Financial Officer
Place : Mumbai
Date : 29 May 2024

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227
Place : Mumbai
Date : 29 May 2024

Independent Auditor’s Report

To the Members of Svatantra Microfin Private Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Svatantra Microfin Private Limited (the “Holding Company”)and its subsidiary (the Holding Company and its subsidiary together referred to as the “Group”), which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act, 2013(‘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 consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit, total consolidated comprehensive income, the consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (“SA”s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's response
1	**Impairment of loans** Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs: The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations: Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios: Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determined the economic scenarios used and the probability weights applied to them. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Ind AS financial statements, and possibly many times that amount. **Disclosures** The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Refer Note 2(k), Note 2(p)(ii), Note 5, and Note 36 (c) to the Ind AS financial statements.	**Principal Audit Procedures** Our key audit procedures included: • Evaluation of the appropriateness of the impairment principles used by management based in the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's processes, systems and controls implemented in relation to impairment allowance process • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of review controls over measurement of impairment allowances and disclosures in Ind AS financial statements. • Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over of calculation of impairment allowance for assessing the completeness, accuracy, and relevance of data. • Model calculations testing through re-performance where possible. • Assessed the appropriateness of management's judgements in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets. • Assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS financial statements are appropriate and sufficient.
2	**IT systems and control** Financial accounting and reporting processes, especially in the financial services sector are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	**Principal Audit Procedures** • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls. • We tested IT general controls (logical access changes management and aspects of IT operational controls). • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which are companies incorporated in India, 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 management.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other matters

The consolidated financial statements include the audited financial statements of one subsidiary whose financial statements reflects Group's share of total assets of Rs. 582,068 lakhs as at March 31, 2024, Group's share of total revenue of Rs. 46,770 lakhs and Group's share of total net profit after tax of Rs. 10,615 Lakhs for the period from December 01, 2023 to March 31, 2024, as considered in the consolidated financial statements, which have been audited by the subsidiary's independent auditors. The independent auditors' reports on financial statements of such subsidiary have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by the paragraph 3(xxi) of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, based on our audit and on the consideration of audit report on the financial statement of a subsidiary company, we give in the 'Annexure 1' a statement on the matters specified in paragraph 3(xxi) of the Order.

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books;

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

    e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2024, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Company, none of the directors of the Holding Company and its Subsidiary Company 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 and operating effectiveness of such controls of the Holding Company and its subsidiary company whose audit reports have been provided to us, we give our separate Report in "Annexure 2".

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

       In our opinion and to the best of our information and according to the explanations given to us and based on the reports of the statutory auditor of the Subsidiary Company which were not audited by us, the remuneration paid/ provided by the Holding Company and its Subsidiary Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

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, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 30 on Contingent Liabilities to the consolidated financial statements;

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There is no amount required to be transferred to the Investor Education and Protection Fund by the Group.

(iv) (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief and upon consideration of report of the statutory auditor of the Subsidiary Company, 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 or its Subsidiary Company to or in any other person or entity, 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 of the Holding Company has represented, that, to the best of its knowledge and belief and upon consideration of report of the statutory auditor of Subsidiary Company, no funds (which are material either individually or in the aggregate) have been received by the Company or its Subsidiary Company, from any person or entity, 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) contain any material misstatement.

(v) The Board of Directors of the Holding Company have declared an interim dividend on Non-cumulative, Compulsorily Convertible Preference Shares for the year. The amount of dividend proposed is in accordance with section 123 of the Act as applicable.

(vi) Based on our examination which included test checks and upon consideration of audit report of the subsidiary company whose audit report has been furnished to us, the Holding Company and its subsidiary company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit-log) facility and the same have operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and upon consideration of audit report of the subsidiary company, we did not come across any instance of audit trail feature being tampered with.

As proviso 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.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 098308

UDIN: 24098308BKCQCD8354

Date: May 29, 2024
Place: Mumbai

Annexure 1

Referred to in paragraph under the heading "report on other legal and regulatory requirements" of our report of even date

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of audit report on the financial statement of a subsidiary company incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

SN	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Date and Place	Date and Place
1.	Svatantra Microfin Private Limited	U74120MH2012PTC227069	Holding Company	iii (c) & (d)
2.				xi (a)
3.	Chaitanya India Fin Credit Private Limited	U67190KA2009PTC049494	Wholly Owned Subsidiary	iii (d)
4.				vii (a) & (b)
5.				xi (a)

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 098308

UDIN: 24098308BKCQCD8354

Date: May 29, 2024
Place: Mumbai

Annexure 2 To The Independent Auditor's Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Svatantra Microfin Private Limited on the consolidated financial statements for the year ended March 31, 2024]

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")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Svatantra Microfin Private Limited ("the Holding Company"), its Subsidiary Company(together referred to as the "Group") whose audit report has been provided to us and which are companies incorporated in India and referred to in "other matters" paragraph in our Independent Auditor's Report of the even date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiary as referred to in the Other Matters paragraph in the Independent Auditor's Report of even date. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 including consideration of the reports of other auditors on separate audited financial statements of the subsidiary company, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary 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 and based on the consideration of the report of other auditor on separate audited financial statements of one subsidiary, the Holding Company and the subsidiary have, 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 internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 098308

UDIN: 24098308BKCQCD8354

Date: May 29, 2024
Place: Mumbai

Consolidated Balance Sheet as at 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2024
ASSETS		
(1) Financial assets		
(a) Cash and cash equivalents	3	1,32,192
(b) Bank balances other than cash and cash equivalents	3	15,674
(c) Receivables		
(i) Trade receivables	4	320
(ii) Other receivables	4	1,848
(d) Loans	5	11,53,225
(e) Investments	6	11,560
(f) Other financial assets	7	17,225
Total financial assets		13,32,044
(2) Non-financial assets		
(a) Current tax assets(net)		620
(b) Deferred tax assets(net)	8	13,472
(c) Property, plant and equipment	9	3,508
(d) Right of use asset	10	1,972
(e) Goodwill		55,380
(f) Other intangibles assets	11	4,729
(g) Other non financial assets	12	4,478
Total non-financial assets		84,159
TOTAL ASSETS		**14,16,203**
LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial liabilities		
(a) Payables	13	
(I) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises		-
(ii) Total outstanding dues of creditors other than micro and small enterprises		1,091
II) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises		4
(ii) Total outstanding dues of creditors other than micro and small enterprises		1,431
(b) Debt securities	14	36,817
(c) Borrowings (other than debt securities)	15	10,16,645
(d) Subordinated liabilities	16	61,036
(e) Lease Liabilities		2,025
(f) Other financial liabilities	17	32,830
Total financial liabilities		**11,51,879**
(2) Non-financial liabilities		
(a) Provisions	18	3,364
(b) Other non-financial liabilities	19	2,365
(c) Current tax liabilities(net)		108
Total non-financial liabilities		**5,837**
TOTAL LIABILITIES		**11,57,716**
EQUITY		
(a) Equity share capital	20	25,205
(b) Instruments entirely equity in nature	20	1,75,500
(c) Other equity	20	57,782
TOTAL EQUITY		**2,58,487**
TOTAL LIABILITIES AND EQUITY		**14,16,203**

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Pranav Jain	**Ananyashree Birla**	**Vineet Bijendra Chattree**	**Vrushali Mahajan**	**Surinder Kumar Bhatia**
Partner	Director	Director	Chief Financial Officer	Company Secretary
Membership No. 098308	DIN No. 06625036	DIN No. 07962531	Place : Mumbai	Membership No. 17227
Place : Mumbai	Place : Mumbai	Place : Mumbai	Date : 29 May 2024	Place : Mumbai
Date : 29 May 2024	Date : 29 May 2024	Date : 29 May 2024		Date : 29 May 2024

Consolidated statement of profit and loss for the year ended 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2024
Revenue from operations		
Interest income	21	1,98,163
Fees and commission income	22	1,263
Net gain on fair value changes	23	1,800
Net gain on derecognition of financial instruments under amortized cost category		18,609
Total Revenue from operations		**2,19,835**
Other income	24	3,317
Total income		**2,23,152**
EXPENSES		
Finance costs	25	82,342
Impairment on financial instruments	26	39,519
Employee benefit expenses	27	36,233
Depreciation and amortization expenses	28	1,260
Other expenses	29	20,015
Total expenses		**1,79,369**
Profit before tax		**43,783**
Tax expense:		
Current tax		12,706
Prior Period tax		**209**
Deferred tax credit		**(2,342)**
Profit for the year [A]		**33,210**
Other comprehensive income, net of tax		
Item that will not to be reclassified to the statement of profit and loss		(1,345)
Less: Income tax expense on above		339
Items that will be reclassified to profit or loss		(262)
Less: Income tax expense on above		66
Other comprehensive income for the year [B]		**(1,202)**
Total comprehensive income for the year [A+B]		**32,008**
Earnings per equity share (Rs.)		
Basic		8.19
Diluted		8.15
Nominal value per share		10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

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BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
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Place : Mumbai	Place : Mumbai	Place : Mumbai	Date : 29 May 2024	Place : Mumbai
Date : 29 May 2024	Date : 29 May 2024	Date : 29 May 2024		Date : 29 May 2024

Consolidated statement of Changes in Equity for the year ended 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Balance as at 1 April 2023	**25,20,46,875**	**25,205**
Change during the year	-	-
Balance as at 31 March 2024	**25,20,46,875**	**25,205**

B. Instruments entirely equity in nature

Compulsorily convertible non-cumulative preference shares(CCPS)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Number of shares	Amount
Balance as at 1 April 2023	**6,55,00,000**	**65,500**
Change during the year	11,00,00,000	1,10,000
Balance as at 31 March 2024	**17,55,00,000**	**1,75,500**

C. Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Reserves and surplus							
	Securities premium	Capital reserve	Statutory reserves	Impairment reserve	Employee stock option plan reserve	Retained earnings	Other comprehensive income	Total
Balance at 31 March 2023	**4**	**442**	**5,179**	**235**	**187**	**18,196**	**18**	**24,261**
Profit for the year	-	-	-	-	-	33,210		33,210
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(1,202)	(1,202)
Transfer to statutory reserve	-	-	4,520	-	-	(4,520)	-	-
Fair value of stock option for the year	-	-	-	-	53	-	-	53
Fair value changes on assets and liabilities	-	-	-			1,461	-	1,461
Balance at 31 March 2024	**4**	**442**	**9,699**	**235**	**240**	**48,347**	**(1,184)**	**57,782**

Significant accounting policies **2**

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
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Place : Mumbai	Place : Mumbai	Place : Mumbai	Date : 29 May 2024	Place : Mumbai
Date : 29 May 2024	Date : 29 May 2024	Date : 29 May 2024		Date : 29 May 2024

Consolidated statement of cash flows for the year ended 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the Year ended 31 March 2024
Profit before tax	**43,783**
Cash flow from operating activities	
Adjustment for:	
Transaction costs on borrowings	1,019
Gain on sale of mutual fund units held as current investments	(1,800)
Depreciation and amortisation	1,260
Loss on sale of property, plant and equipment	
Transaction cost on loan processing charges	275
Unwinding interest cost on compulsorily convertible preference shares	-
Interest on fixed deposits	(2,287)
Finance cost on lease liabilities	122
Impairment on financial instruments	39,519
Fair value changes on deferred tax assets	(927)
Movement in working capital:	
-(Increase) / decrease in loans and advances	(1,34,192)
-(Increase) / decrease in receivables	1,032
-(Increase) / decrease in other financial assets	(3,677)
-(Increase) / decrease in other non financial assets	2,184
-Increase / (decrease) in trade payables	(2,782)
-Increase / (decrease) in other financial Liabilities	2,836
-Increase / (decrease) in other non financial Liabilities	(527)
-Increase / (decrease) in provisions	542
Cash generated from/(used in) operations	**(53,620)**
Income tax paid (net)	(12,227)
Cash generated from/(used in) operations [A]	**(65,847)**
Cash flow from/(used in) investing activities	
Purchase of property, plant and equipment, intangibles including intangibles underdevelopment	(7,816)
Proceeds from sale of property, plant and equipment and intangibles	6,328
Capital advance given	(975)
Purchase of mutual funds	(6,57,869)
Proceeds of sale of mutual funds	6,59,669
Interest received on fixed deposits	2,801
Investment in debt securities	29,996
Investment in Chaitanya India Fin Credit Private Limited	(1,55,598)
Maturity /(investments) of /in fixed deposits	35,626
Cash generated from/(used in) investing activities [B]	**(87,838)**
Cash flow from/(used in) financing activities	
Proceeds from issuance of equity shares	-
Proceeds from issuance of compulsorily convertible preference shares	110,000
Proceeds from borrowings, debt securities and subordinated liabilities	622,913
Repayment of borrowings, debt securities and subordinated liabilities	(5,10,807)
Interest paid on lease liabilities	(122)
Repayment of lease liabilities	(276)
Cash generated from/(used in) financing activities [C]	**2,21,708**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**68,023**
Cash and cash equivalents at the beginning of the year	**54,948**
Cash and cash equivalents acquired pursuant to business combination	**9,219**
Cash and cash equivalents at the end of the year	**1,32,192**

Notes:
1. All figures in bracket are outflow.
2. The cash flow statement has been prepared under Indirect Method as per Ind AS 7 Statement of Cash Flows.
3. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4. For movement of lease liabilities, refer note no. 38

Significant accounting policies 2

The accompanying notes are an integral part of financial statements

The accompanying notes are an integral part of financial statements

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Pranav Jain	**Ananyashree Birla**	**Vineet Bijendra Chattree**	**Vrushali Mahajan**	**Surinder Kumar Bhatia**
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Place : Mumbai	Place : Mumbai	Place : Mumbai	Date : 29 May 2024	Place : Mumbai
Date : 29 May 2024	Date : 29 May 2024	Date : 29 May 2024		Date : 29 May 2024

Notes to the consolidated financial statements

for the year ended 31 March 2024

1. Group Information

Svatantra Microfin Private Limited ('the Holding Company or SMPL) is a private limited company incorporated in India on 17 February 2012 under the Companies Act, 1956 having its registered office at 20th Floor, Sunshine Towers, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013, Maharashtra. SMPL is registered with Reserve Bank of India (RBI) as a Non Banking Financial Company-Micro Finance Institution. SMPL is a holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company) with effect from 23 November 2023. The Holding Company and its subsidiary (the 'Group') is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG').

1.1 Basis of accounting and preparation of consolidation financial statement

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by Reserve bank of India and other regulators are implemented as and when they are issued/ applicable.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The Group consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

The consolidated financial statements for the year ended 31 March 2024 were authorised and approved by the Board of Directors on 29 May 2024.

1.2 Presentation of consolidated financial statements

The Group generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

Details of Companies Consolidated in these consolidated financial statements:

Name of the company	Type	Country of Incorporation	Holding as at 31 March 2024
Svatantra Microfin Private Limited	Holding Company	India	Holding Company
Chaitanya India Fin Credit Private Limited	Subsidiary Company	India	100%

1.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiary, being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

a. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intragroup balances and intra-group transactions.

b. .Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.

c. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

d. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.

f. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

2. Material accounting policies

a. Functional and presentation currency

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

b. 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 is based on the presumption 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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Revenue recognition
Interest Income
Interest income from financial assets (assets on finance) is recognised on accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for upfront expenses and incomes attributable to the acquisition of the financial asset. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.

Net gain on Fair value changes
Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in Net gains on fair value changes under revenue from operations and if there is a net loss the same is disclosed under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at Fair value through profit and loss (FVTPL) and debt instruments measured at Fair value through Other Comprehensive Income (FVOCI) is recognised in net gain\loss on fair value changes. However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

Commission income
Commission fee income is recognized on accrual basis when the service is rendered.

Income from direct assignment and securitization
Interest Income on securitized loans are considered at par with own loans and is also recognised under the Effective Interest Rate method. In case of Direct Assignment, Group recognize the income upfront on the basis of fair value by discounting the entire interest strip (excess interest spread) of assigned portfolio.

Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

All other income is recognized on an accrual basis, when there is reasonable certainty in the ultimate realization / collection.

d. Financial instruments
A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets
Subsequent measurement

i. Financial assets carried at amortised cost
a Financial asset is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Investments in equity instruments
Investments in equity instruments which are held for trading are classified at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to Statement of Profit and Loss. However, the Group transfers the cumulative gain or loss within equity.
Dividends on such investments are recognised in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. Investments in mutual funds
Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:
• The rights to receive cash flows from the asset have expired, or
• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.
When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. The Group continues to recognise the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.
On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed).

Non-derivative financial liabilities
Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.
De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

e. Foreign currency
Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on settlement and restatement are recognised in the Statement of Profit and Loss.

f. Property, plant and equipment
Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges
on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent Cost
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation
Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 or as estimated by the Group, whichever is shorter.

Leasehold improvements are amortised over the lease period.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortisation and Impairment of Goodwill
Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.
For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.
An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

Derecognition of assets
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 is included in the income statement when the asset is derecognised.

Intangible assets and amortisation of intangible assets
Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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

Derecognition of assets
An item of intangible asset and any significant part initially recognized is derecognized 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 is included in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or 5 years, whichever is shorter.

Capital work-in-progress
Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

g. Income taxes
Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax
Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Advance taxes and provision for current income tax are presented in the balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred tax
Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

h. Employee Benefits
Short-term employee benefits:
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution to provident fund and other funds :
In accordance with Indian Law, eligible employees receive benefits from Provident Fund , Employee State Insurance Contribution (ESIC) and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

Gratuity:
Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefits / obligations are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

Compensated Absences:
The employees of the Group are entitled to leave as per the leave policy of the Group. The liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

i. Borrowing costs:
Borrowing cost of financial liabilities is recognised using the Effective Interest Rate (EIR) method.

j. Impairment of non-financial assets
At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

k. Impairment of financial assets
Loan assets
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

i) 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 recognised. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

ii) 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 recognised. Exposures with DPD 31 days to 90 days are classified as stage 2. At each reporting date, the Group 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.
.
iii) 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 recognised on principal outstanding as at period end. Exposures with DPD more than 90 days are classified as stage 3.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

It has been the Group's policy to regularly review its ECL model in the context of actual loss experience and adjust when necessary. For details, refer note 36 (C).

Other receivables
In respect of other receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to the Statement of Profit and Loss.

l. Cash and cash equivalents
Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for cash Flow Statement.

m. Provisions, Contingent liabilities and Contingent assets:
Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n. Earnings per share
The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

o. Leases
As a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
The right-of-use assets are also subject to impairment. Refer note 2 (j) of accounting policy for impairment of non-financial assets.

ii. Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other financial liabilities.

iii. Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

p. Critical accounting estimates and judgements
In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

i. Fair value of financial instruments
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.
Fair value measurements under Ind-AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Group can access at measurement date Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.3.

ii. Expected credit loss
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward looking information. The inputs used and process followed by the Group in determining the ECL have been detailed in Note 36(c).

iii. Effective interest rate
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioural life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

iv. Business model assessment
Classification and measurement of financial assets depends on the results of the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

v. Useful life and expected residual value of assets
Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

vi. Leases
- the determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain To exercise lessee options.
- the determination of the incremental borrowing rate used To measure lease liabilities.

vii. Deferred Tax
Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Group as a lessee considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced

viii. Defined benefit plans
The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ix. Provisions and contingencies
The Group as a lessee operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Group's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

q. Recent accounting pronouncements
Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

3.(a) Cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Cash on hand	97
Balances with banks	
- In current accounts	69,480
- Deposit with original maturity of less than three months(Refer note below)	62,615
	1,32,192

Note: Short-term deposits are placed for varying periods between one day to three months, depending on the immediate cash requirements of the Company.

(b) Bank balances other than cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
In fixed deposit accounts with original maturity of less than 12 months	426
In fixed deposit accounts with original maturity of more than 12 months	866
Margin money deposits*	14,382
	15,674

* Represent deposits placed as cash collateral in connection with term loans.

4. Receivables

Particulars	As at 31 March 2024
Trade receivables	
Undisputed trade receivables - considered good	320
	320
Other receivables	
Unsecured considered good	1,848
Unsecured and considered having significant increase in credit risk	426
Allowance for trade receivables having significant increase in credit risk	(426)
	1,848
Receivable from related party considered good- unsecured	-
	2,168

Trade receivables ageing schedule for the year ended as on 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Less than 6 Months	6 months to 1 year	1-2 years	2-3 Years	More than 3 Years	Total
Trade Receivables						
Undisputed trade receivables - considered good	320	-	-	-	-	320

Note: NIL receivables are due form directors and other officers of the Group either severally or jointly with any other person. Nor any other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

5. Loans

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
(A) Loans at amortised cost	
(i) Secured by Tangible Assets	
(i) Secured - Mortgage housing loans	120
(ii) Secured - Small Business Loans	5
(iii) Secured - Livestock Loan	24
(B) Loans at fair value through OCI	
(i) Unsecured - Retails	-
(ii) Unsecured - Joint liability loans	56,236
ii) Unsecured Loan	
(i) Term loans (Joint liability group and individual loans)	11,58,324
(ii) Loans to employees	194
Total (A) - Gross	**12,14,903**
Less: Impairment loss allowance	60,539
Less: Impairment loss allowance through OCI	1,139
Total (A) - Net	**1,153,225**
(C) Secured/unsecured	
(i) Secured by tangible assets and intangible assets	149
(ii) Covered by Bank / Government Guarantees	-
(iii) Unsecured	**12,14,754**
Total (B) - Gross	**12,14,903**
Less: Impairment loss allowance	61,678
Total (B) - Net	**11,53,225**
(C)Loans in India	
(i) Public Sector	-
(ii) Others	12,14,903
Total (C)- Gross	**12,14,903**
Less: Impairment loss allowance	61,678
Total(C)-Net	**11,53,225**

6. Investments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Investments in fully paid equity shares	
Unquoted	
Investments in Govt. Securities (Designated at fair value through profit or loss)	
Investment on Govt Securities	11,560
Investment carried at fair value through other comprehensive income	
Investment in security receipts (unquoted)	1,281
less: Impairment on security receipts	(1,281)
	11,560

7. Other financial assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
At amortised cost : Unsecured, considered goods	
Excess interest spread (EIS) receivable	14,235
EIS Receivable on Co Lending	2,416
Security deposits	574
	17,225

8. Deferred tax assets (net)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Deferred tax assets	
On account of:	
Impairment of financials instruments	16,165
Impairment on security receipts	322
Expenses allowable on payment basis	916
Temporary differences of written down value of intangible assets and property, plant and equipment	267
Transaction costs on loans	1,659
Lease liabilities	21
Other	7
Total deferred tax assets	**19,356**
Deferred Tax liabilities	
On account of:	
Transaction costs on borrowings and debt securities	1,481
Measurement gain on direct assignment	4,191
Fair value change of loans through other comprehensive income	37
Other	176
Total deferred tax Liabilities	**5,885**
Net Deferred tax assets / (liabilities)	**13,472**

9. Property, plant and equipment

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Furniture & fixtures	Computers	Office equipment's	Vehicles	Electrical equipment	Leasehold Improvements	Total
Gross block (at cost)							
As at 1 April 2023	**669**	**1,780**	**827**	**-**	**-**	**111**	**3,387**
Additions pursuant to business combination	1,106	1,805	289	1	252	-	3,453
Additions	211	526	492	-	21	5	1,255
Disposals	3	43	70	-	0	-	116
As at 31 March 2024	**1,983**	**4,068**	**1,538**	**1**	**273**	**116**	**7,979**
Accumulated depreciation							
As at 1 April 2023	**482**	**1,111**	**458**	**-**	**-**	**92**	**2,143**
Additions pursuant to business combination	383	940	108	1	76	0	1,508
Additions	171	363	377	-	7	6	924
Disposals	3	40	61	-	0	-	104
As at 31 March 2024	**1,033**	**2,374**	**882**	**1**	**83**	**98**	**4,471**
Net Block							
As at 31 March 2024	**950**	**1,694**	**656**	**-**	**190**	**18**	**3,508**

10. Right of use Asset

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amount
As at 1 April 2023	**1,332**
Additions pursuant to business combination	529
Additions	915
Deletions	-
As at 31 March 2024	**2,776**
Accumulated amortisation	
As at 1 April 2023	**497**
Additions pursuant to business combination	86
Charge for the year	221
Deletions	-
As at 31 March 2024	**804**
Net block	
As at 31 March 2024	**1,972**

11. Other intangible assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Computer Software	Branch Network	Brand Valuation	Trade Mark	Amount
Gross Block (at cost)					
As at 1 April 2023	**560**	**-**	**-**	**-**	**560**
Additions pursuant to business combination	443	3370	770	-	4,583
Additions	262	-	-	100	362
Disposals	-	-	-	-	-
As at 31 March 2024	**1,265**	**3,370**	**770**	**100**	**5,505**
Accumulated amortization					
As at 1 April 2023	**440**	**-**	**-**	**-**	**440**
Additions pursuant to business combination	220	-	-	-	220
Additions	116	-	-	-	116
Disposals	-	-	-	-	-
As at 31 March 2024	**776**	**-**	**-**	**-**	**776**
Net Block					
As at 31 March 2024	**489**	**3,370**	**770**	**100**	**4,729**

12. Other non-financial assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Unsecured, considered good	
Prepaid expenses	3,357
Other advances	1,042
Advance to staff	53
Income tax paid under dispute	26
	4,478

13. Payables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
(I) Trade payables	
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	1,091
(II) Other payables	
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	4
(ii) Total outstanding dues of creditors other than micro and small enterprises	1,431
	2,526

Trade payables ageing schedule for the year ended as on 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	1,091	-	-	-	-	1,091
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues – Others	-	-	-	-	-	-

* The Group has NIL outstanding dues and interest payable for micro, small and medium enterprises- refer Note 40 .

14. Debt Securities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
At amortised cost	
Redeemable non-convertible debentures	
Secured*	7,477
Unsecured	29,340
Total (A)	**36,817**
Debt securities in India	36,817
Debt securities outside India	-
Total (B) to tally with (A)	**36,817**

The above debentures are secured by the way of first and exclusive charge over specified unsecured microfinance JLG loans of the Company.

15. Borrowings (Other than Debt securities)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
At amortised cost	
Term loans	
Secured*	
(i) from banks	8,43,484
(ii) from others	1,73,161
Total (A)	**10,16,645**
Borrowings in India	10,16,645
Borrowings outside India	-
Total (B) to tally with (A)	**10,16,645**

* Secured against the book debt of the company

16. Subordinated liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
At amortised cost	
Subordinated liabilities	61,036
Total	**61,036**
Borrowings in India	61,036
Borrowings outside India	-
Total (B) to tally with (A)	**61,036**

16.1 Terms and Security of Debt Securities and Subordinated liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Original maturity and rate of interest	Maturity	As at 31 March 2024 No of Instalments	Amount
5.01% to 6.00%	Within 1 Year	12	5,454
Below 8.00%	Within 1 Year	24	4,796
8% to 10%	Within 1 Year	514	1,20,416
9.00% to 9.50%	Within 1 Year	25	10,055
9.51% to 10.00%	Within 1 Year	103	19,166
10.01% to 10.50%	Within 1 Year	107	36,683
10.51% to 11.00%	Within 1 Year	64	56,767
11.01% to 11.50%	Within 1 Year	26	8,415
11.51% to 12.00%	Within 1 Year	11	4,400
10% to 12%	Within 1 Year	509	1,15,395
6.51% to 8.99%	1-3 Years	22	13,334
Below 8.00%	1-3 Years	1	15,000
8% to 10%	1-3 Years	402	1,02,215
9.01% to 09.50%	1-3 Years	490	2,09,694
9.51% to 10.00%	1-3 Years	440	1,75,190
10.01% to 10.50%	1-3 Years	167	67,547
10.51% to 11.00%	1-3 Years	6	3,490
10% to 12%	1-3 Years	206	38,114
12.01% to 12.50%	3-5 Years	7	12,321
Total debt Securities			**10,18,452**
Adjustments of unamortised processing fee based on EIR and Fair Valuation			(1,807)
Total adjusted debt securities			**10,16,645**

Terms and Security of Debt Securities and Subordinated liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Terms of Debentures	Number of Debentures	As at 31 March 2024
Secured		
10.95% rated, listed, senior, secured, redeemable, taxable, transferable Non Convertible Debentures of face value of Rs.1,000,000 each. Redeemable at par.	700	1,273
10.10% Rated, Listed, Senior, Secured, Redeemable, Transferable Non-Convertible Debentures dated 10 October 2023	2,500	2,500
9.32% Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Transferable, non-convertible debentures dated 30 March 2021	500	3,750
Unsecured		
9.50% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.5000000 each. Redeemable at par.	2,000	3,750
10.55% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 30 September 2023	10,000	10,000
10.45% Rated, Listed, Senior, Unsecured, Redeemable, Transferable Non-Convertible Debentures dated 10 October 2023	2,500	2,500
9.75% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 10 November 2023	8,500	8,500
12.83% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 28 July 2022	500	5,000
Total Debt securities		**37,273**
Adjustments of unamortised processing fee based on EIR basis		**(456)**
Total adjusted Debt securities		**36,817**

(All amounts in ₹ Lakhs unless otherwise stated)

Terms of subordinated liabilities	Number of Debentures	As at 31 March 2024
Unsecured		
13.75% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.10 each. Redeemable at par.	1,50,00,000	1,500
12.90% rated, listed, unsecured, subordinated, fully paid up, rated, taxable, transferable, redeemable, non-convertible debentures of face value of Rs.1,000,000 each. Redeemable at par.	600	6,000
11.77% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each. Redeemable at par.	1,250	12,500
11.77% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each. Redeemable at par.	900	9,000
11.77% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each. Redeemable at par.	750	7,500
11.90% unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1000000 each. Redeemable at par.	500	5,000
12.40% Subordinated, Rated, Unlisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 21 November 2022	750	3,750
12.40% Subordinated, Rated, Unlisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 21 November 2022	750	3,750
12.40% Subordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 21 Feb 2023	12,500	12,500
16% Unsecured subordinated debt in the form of term loan	-	1,500
Total Debt securities		**63,000**
Adjustments of unamortised processing fee based on EIR basis		**(1,964)**
Total adjusted Debt securities		**61,036**

Terms of Principal Repayment of Debt Securities and Subordinated Liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Original maturity and rate of interest	Maturity	As at 31 March 2024	
		No of Instalments	Amount
Quarterly			
9.00% to 10.50%	Within 1 Year	3	3,750
10.51% to 11.00%	Within 1 Year	2	1,273
Half Yearly			
12.51% to 13.00%	Within 1 Year	1	6,000
8% to 10%	Within 1 Year	6	3,750
Bullet			
8% to 10%	Within 1 Year	4	2500
10% to 12%	Within 1 Year	4	2,500
above 15%	Within 1 Year	2	1,500
13.01% to 13.50%	1-3 Years	1	1,500
11.51% to 12.00%	3-5 Years	4	34,000
10% to 12%	1-3 Years	6	12,500
12% to 15%	1-3 Years	1	5,000
8% to 10%	1-3 Years	1	8,500
10% to 12%	1-3 Years	6	12,500
12% to 15%	1-3 Years	1	5,000
Total debt Securities			**1,00,273**
Adjustments of unamortised processing fee based on EIR			(2,421)
Total adjusted debt securities			**97,852**

17. Other financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Interest accrued but not due on borrowings	3,554
Employee benefits payable	2,252
Payable towards securitised and assigned portfolio	26,961
Other payables	63
	32,830

18. Provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Provision for employee benefits	
Gratuity	1,259
Leave encashment (unfunded)	2,105
	3,364

19. Other non-financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Statutory dues	972
Service obligation on assignment	997
Service obligation on Co Lending	378
Other Losses	18
	2,365

20.(a) Share Capital
(I) Details of authorised, issued, subscribed and paid up share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	
	Numbers of shares	Amount
Authorized:		
Equity shares of Rs. 10 each	4,75,50,00,000	4,75,500
Preference shares of Rs. 100 each	53,00,00,000	5,30,000
		10,05,500
Issued, subscribed and paid-up:		
Equity shares of Rs. 10 each fully paid up	25,20,46,875	25,205
5% Compulsorily Convertible Non-Cumulative Preference Shares Rs. 100 each fully paid up	17,55,00,000	1,75,500
		2,00,705

(ii) Rights, preferences and restrictions attached to equity shares

The Company has equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% equity shares in the Company on reporting date:

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the shareholder	As at 31 March 2024	
	Numbers of shares	Amount
Ms. Ananyashree Birla	20,78,46,874	82.46%
Svatantra Holdings Private Limited	4,00,00,000	15.87%
Total	**24,78,46,874**	**98.33%**

Shares held by promoters at the end of the year:

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the promoters	Numbers of shares	Percentage of shareholding	% Change during the year
Ms. Ananyashree Birla	20,78,46,874	82.46%	0.00%
Total	**20,78,46,874**	**82.46%**	**0.00%**

The reconciliation of the number of equity shares outstanding:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Shares at the beginning of the year	25,20,46,875
Add :Shares issued during the year	-
Shares at the end of the year	**25,20,46,875**

(iii) Instruments entirely equity in nature

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Svatantra Holdings Private Limited	65,500
IGH Holdings Private Limited	1,10,000
5% Compulsorily Convertible Non-Cumulative Preference Shares	**1,75,500**

(iii) Right, preferences and restrictions attached to 5% Compulsorily Convertible Non-Cumulative Preference Shares

The Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) shall carry a fixed rate of dividend of 5% (Five Percent) per annum on the capital paid up thereon calculated on a proportionate basis from the date of allotment and shall be non-cumulative. The CCPS shall be compulsorily convertible into equity shares of the Company anytime at the option of the CCPS holder. If the CCPS holder does not exercise the option to convert the CCPS into equity shares before the expiry of 10 (Ten) years from the date of allotment of CCPS, then CCPS shall be convertible into equity shares of SMPL on the expiry of 10 (Ten) years from the date of allotment of CCPS. The conversion ratio is 9 CCPS of Rs. 100 each fully paid-up convertible into 13 Equity Shares of Rs. 10 each fully paid up. The Equity Shares to be allotted on conversion of the CCPS shall rank pari passu in all respects with the existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.

(iv) Shares issued for consideration other than cash

The Group has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2024.

(v) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company(refer note 41)

(b) Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Refer note	As at 31 March 2024
Securities premium	**20.2**	4
Statutory reserve in terms of section 45-IC of the RBI Act	**20.3**	9,699
Impairment reserve	**20.4**	235
Retained earnings	**20.5**	48,347
Employee stock option plan reserve	**20.6**	240
Capital reserve on derecognition of compulsorily convertible non-cumulative preference shares	**20.7**	442
Other comprehensive income		(1,185)
		57,782

20.1

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Securities premium	
Opening balance	4
Closing balance	**4**
Statutory reserve In terms of Section 45 - IC of the RBI Act	
Opening balance	5,179
Add: Current year transfer	4,520
Closing balance	**9,699**
Impairment reserve	
Opening balance	235
Add: Current year transfer	-
Closing balance	**235**
Retained earnings	
Opening balance	18,196
Add: Transferred from statement of profit and loss	33,210
Add: Fair value changes on assets and liabilities	1,461
Less: Transfer to statutory reserves	(4,520)
Less: Transfer to Impairment reserves	-
Less: Share issue expenses (net of tax)	-
Closing balance	**48,347**
Employee stock option plan reserve	
Opening balance	187
Add: Compensation for options granted	53
Exercise & lapse of stock options	-
Closing balance	**240**
Capital reserve	
Opening balance	442
Add: Current year transfer	-
Closing balance	**442**
Other comprehensive income	
Opening balance	18
Add: Current year transfer	(1,203)
Closing balance	**(1,185)**
	57,782

20.2 Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

20.3 Statutory 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% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purpose specified by the RBI.

20.4 Impairment Reserves as per RBI notification

As per DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserves'. The balance in the 'Impairment Reserves' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserves without prior permission from the Department of Supervision, RBI.

20.5 Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the Group over the years.

20.6 Employee stock option plan reserve

The Holding Company has an employee stock option scheme under which the option to subscribe for the companies share have been granted to the key employees and directors. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to the key employees as part of their remuneration. Refer to note 41 for further details of the scheme.

20.7 Capital reserve

Capital reserve represents gain on derecognition of compulsorily convertible non-cumulative preference shares.

21. Interest Income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
On financial assets measured at amortised cost	
Interest on loans	1,95,054
Interest on deposits with banks	2,287
Interest on employee loans	19
Interest income on Investments	803
Total	**1,98,163**

22. Fees and commission income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Income from commission	1,263
Total	**1,263**

23. Net gain on fair value changes

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Net gain on financial instruments at fair value through profit or loss	
-Investments in mutual funds	1,779
-profit and loss on sale of other investment	9
-Gain on fair valuation of other investment	12
	1,800
Total net gain on fair value changes	
Fair Value changes:	
-Realised	1,788
-Unrealised	12
Total	**1,800**

24. Other income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Recovery against loans written off	612
Miscellaneous income	2,705
Total	**3,317**

25. Finance costs

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
On financial liabilities measured at amortised costs	
Interest	
On borrowings(other than debt securities)	69,839
On debt securities	3,010
On subordinated liabilities	5,788
On lease liabilities	122
Other borrowing costs	3,583
Total	**82,342**

26. Impairment on financial instruments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
On financial assets measured at amortised cost	
Loans	
Impairment on loan portfolio	7,437
Loan portfolio written-off*	31,894
Other balance written-off	197
Impairment on other asset	(9)
Total	**39,519**

*Including write-off on account of ARC transaction

27. Employee benefit expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Salaries and allowances	31,152
Contribution to provident and other funds	2,556
Expenses on employee stock option plan	53
Staff welfare expenses	2,472
Total	**36,233**

28. Depreciation and amortisation expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Depreciation of plant, property and equipment	923
Amortisation of right of use assets	221
Amortisation of intangible asset	116
Total	**1,260**

29. Other expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Advertisement expenses	5
Rates and taxes	606
Rent	1,920
Communication expenses	455
Travelling and conveyance expenses	5,037
Training expenses	316
Recruitment expenses	7
Insurance expenses	1,048
Printing and stationery	716
Legal and professional fees	1,776
Website development expenses	16
Electricity and water expenses	402
Membership and subscription	89
Repairs and maintenance	182
Software Service and Maintenance	3,315
Other Administrative Expenses	252
Cash management charges (CMS)	2,147
Commission and brokerage	857
Expenses on Corporate social responsibility	250
Bank charges	16
Auditors' remuneration	
- Audit fees	40
- Tax audit fees	4
- For other services	8
Other expenditure	551
Total	**20,015**

30. Contingent liabilities and capital commitments

(A) Contingent liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	203
Total	**203**

i) Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/ authorities. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	45
Total	**45**

31. Tax expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Current tax expense	
i) Current year	12,706
ii) Earlier year	209
Total	**12,914**
Deferred taxes liabilities / (assets)	
Relating to origination and reversal of temporary differences	(2,342)
Net deferred tax expense	**(2,342)**
Total income tax expense	**10,572**

31.1 Tax reconciliation

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Profit before income tax expense	43,782
Statutory income tax rate	25.168%
Tax at statutory income tax rate	11,019
Tax effect of amounts which are not deductible / not taxable in calculating taxable income	
Tax impact on expenses which is non deductible	307
Tax impact on additional deduction	(793)
Others (net)	39
Income tax expense	**10,572**

31.2 Deferred tax movement related to the following:
1 April 2023 to 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Opening Balances	(Charge)/ Credit in Profit & Loss	Recognised in OCI	Recognised in Other Equity	Balance as at 31 March 2024
Deferred tax asset on account of:					
Impairment of financials instruments	12,341	2,546	-	-	14,886
Expenses allowable on payment basis	721	(100)	405	-	1,026
Temporary differences of written down value of intangible assets and property, plant and equipment	232	35	-	-	267
Transaction costs on loans	2,405	288	-	-	2,693
Lease liabilities	210	(22)	-	-	188
Others	202	48	-	-	250
	16,111	**2,795**	**405**	**-**	**19,310**
Deferred tax liability on account of:					
Transaction cost on borrowings and debt securities	1,567	(86)	-	-	1,481
Measurement gain on direct assignment	3,282	909	-	-	4,191
Modification (restructuring) gain on financial assets	12	(12)	-	-	-
Prepaid Expenses	8	(1)			8
Right of use assets	174	(14)	-	-	160
	5,043	**796**	**-**	**-**	**5,839**
	11,068	**1,999**	**405**	**-**	**13,471**

32. Earnings per share

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Net profit attributable to equity shareholders	33,210
Add : Interest on liability component of compound financial instrument charged to statement of profit and loss	-
Adjusted net profit attributable to equity shareholders	33,210
Weighted average number of equity shares outstanding for basic and diluted earnings per share*	40,56,98,666
Effects of potential equity shares on Employee Stock Options outstanding	25,71,990
Weighted average number of equity shares in computing diluted earnings per share	**40,82,70,656**

Earnings per share	
Basic earning per share (₹)	8.19
Diluted earning per share (₹)	8.15
Nominal value per share (₹)	10

* Weighted average number of equity shares outstanding includes non cumulative compulsorily convertible preference shares.

33. Related party disclosures

Related party disclosures as required under Indian Accounting standard 24, "Related party disclosure" are given below.

33.1 List of related parties.

Nature of relationship	Name of related party
Wholly Owned Subsidiary	Chaitanya India Fin Credit Private Limited (w.e.f 23rd November 2023)
Key Managerial Personnel (KMP)	Kumar Mangalam Birla (Director)
	Neerja Birla (Director)
	Ananyashree Birla (Director)
	Shankar Girija Natarajan (Independent Director)
	Meena Jagtiani (Independent Director)
	Vineet Bijendra Chattree (Director)
	Anujeet Varadkar (Chief Executive Officer)
	Vrushali Vishal Mahajan (Chief Financial Officer)
	Surinder Kumar Bhatia (Company Secretary)
Other Related Parties	Svatantra Holdings Private Limited
(Parties on which KMP's of the Company are able to exercise control)	Vodafone Idea Limited (w.e.f. 20 April 2023)
	Svatantra Microfin Employee Gratuity Fund
	Aditya Marketing and Manufacturing Pvt. Ltd
	Aditya Birla Education Trust
	Aditya Birla Sun Life Insurance Company Limited

33.2 Transactions during the year with related parties :

(All amounts in ₹ Lakhs unless otherwise stated)

Nature of transactions	Transactions with	For the year ended 31 March 2024
Compulsorily convertible preference shares	Svatantra Holding Private Limited	-
Issue of compulsorily convertible preference shares	IGH Holdings Private Limited	110,000
CSR expenses	Ananya Birla Foundation	40
Income Marketing Services	Aditya Birla Sun Life Insurance Company Limited	898
Services received	Vodafone Idea Limited (arm length price)	8
	Svatantra Online Services Private Limited	4
Director's Sitting Fees	Shankar Girija Natarajan	4
	Meena Jagtiani	3
Remuneration		
	Anujeet Varadkar	103
	Vrushali Vishal Mahajan	103
	Surinder Kumar Bhatia	59
ESOP Grants (in nos.)		
	Vineet Bijendra Chattree	-
	Anujeet Varadkar	-
	Vrushali Vishal Mahajan	-
	Surinder Kumar Bhatia	-

Note:

1. The Holding Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Svatantra Microfin Employee Gratuity Fund).
2. Employee benefits in relation to gratuity are calculated at the Holding Company level and hence not considered in above disclosure.

33.3 Closing balances :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Svatantra Holdings Private Limited	65,500
IGH Holdings Private Limited	1,10,000
(Compulsorily Convertible Non-Cumulative Preference Shares)	

34 Capital management risk

The Group's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio (CRAR) consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Group ensures to maintain a healthy CRAR at all the times.

The Group has a board approved policy on resource planning which states that the resource planning of the Group shall be based on its Asset Liability Management (ALM) requirement. The policy of the Group on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Regulatory capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Tier I Capital	1,70,009
Tier II Capital	53,709
Tier I + Tier II Capital	**2,23,718**
Risk weighted assets	12,00,696
Tier I CARR	14.16%
Tier II CARR	4.47%
Total CARR	**18.63%**

The Group has complied in full with all its externally imposed capital requirements over the reported period.

Loan covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no substantive breaches in the financial covenants of any borrowing in the current period. Loan covenants mainly include minimum CRAR of 15%.

35. Fair value measurement

35.1 Financial instruments by category

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Category	As at 31 March 2024
Financial assets:		
Cash and cash equivalents	Amortized cost	1,32,192
Bank balances other than cash and cash equivalents	Amortized cost	15,674
Trade receivables	Amortized cost	320
Other receivables	Amortized cost	1,848
Loans	Amortized cost	10,96,989
Loans (FVOCI)	FVOCI	56,236
Investments (fair value through profit and loss)	FVTPL	11,560
Other financial assets	Amortized cost	17,225
Total financial assets		**13,32,044**
Financial liabilities:		
Trade and other payables	Amortized cost	2,525
Debt securities	Amortized cost	36,817
Borrowings (other than debt securities)	Amortized cost	10,16,645
Subordinated liabilities	Amortized cost	61,036
Lease liabilities	Amortized cost	2,025
Other financial liabilities (excluding lease liabilities)	Amortized cost	32,830
Total financial liabilities		**11,51,878**

35.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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. This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. These three levels are defined based on the observability of significant inputs to the measurement, as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximize 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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

35.3 Financial assets and liabilities measured at amortized cost at each reporting date

The carrying value of cash and cash equivalents, other bank balances, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024 Carrying Value	As at 31 March 2024 Fair Value
Financial assets measured at amortized cost		
Cash and cash equivalents	1,32,192	1,32,192
Bank balances other than cash and cash equivalents	15,674	15,674
Trade receivables	320	320
Other receivables	1,848	1,848
Loans	11,58,667	10,98,128
Investments	-	-
Other financial assets	17,225	17,225
Total financial assets	**13,25,926**	**12,65,387**
Financial liabilities measured at amortized cost		
Trade payables	2,525	2,525
Debt securities	36,817	36,817
Borrowings (other than debt securities)	10,16,645	10,16,645
Subordinated liabilities	61,036	61,036
Lease liabilities	2,025	2,025
Other financial liabilities (excluding lease liabilities)	**32,830**	**32,830**
Total financial liabilities	**11,51,878**	**11,51,878**

i) Loans - Fair value is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

ii) Borrowings - All the borrowing taken are at floating rate except few which are on fixed rate of interest and hence, its fair value are deemed to be equivalent to the carrying value adjusted with un-amortize transaction cost. Fair value of fixed loans are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

iii) Debt securities and lease liabilities - The fair value of debt securities are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.
During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

35.4 Transfer of financial assets

(i) Assignment Transaction:

The Group has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal and since the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Group's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognised assets :-

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Carrying amount of derecognised financial assets	2,05,625
Gain/(loss) for the year	18,609

Since the Company transferred the above financial asset in a way that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

36. Financial Risk Management

The Group is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest rate risk, foreign currency risk and price risk. The Group's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk Management Committee is responsible for developing and monitoring the Group's risk management policies. The Committee holds regular meetings and report to board on its activities. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Group has a Board approved Risk Management framework and has also performed ICAAP assessment. Robust Risk Management strategy is in place to manage Key risks such as Strategic, Compliance, Credit, Liquditiy, Operational Risks and reporting risks.

The Group's risk management framework is driven by its Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence and major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Audit committee oversees how management monitors compliances with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee

A. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities –debt securities, borrowing, trade payables and other financial liabilities. The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarizes the maturity profile of the undiscounted cash flows of the Company's financial liabilities:

As at 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade and other payables	2,525	-	-	-	2,525
Debt securities	11,728	26,000	-	-	37,728
Borrowings (other than debt securities)	6,69,795	4,08,825	-	-	10,78,620
Subordinated liabilities	6,523	73,941	-	-	80,464
Other financial liabilities	30,805	-	-	-	30,805
Lease liabilities	2,025	522	-	-	2,547
Total	**7,23,401**	**5,09,288**	**-**	**-**	**12,32,689**

B. Market risk

(i) 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 currency rates. The Group is not exposed to foreign currency exposure.

(ii) Interest rate risk

The Group is subject to interest rate risk, since the rates of borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. Loans given to customers are at fixed rate of interest.

Details of loans and borrowings

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Borrowings and debt securities*	
Borrowings (variable)	9,65,267
Borrowings (fixed rate)	1,53,458
Total borrowings	**11,18,725**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in variable interest rates (all other variables being constant) of the Group's Statement of profit and loss:

(All amounts in ₹ Lakhs unless otherwise stated)

Interest Rate Sensitivity	Impact on profit before tax For the year ended 31 March 2024
Borrowings	
Increase by 50 basis points	(4,826)
Decrease by 50 basis points	4,826

** Holding all other variables as constant*

(iii) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The Company do not have any investment as on balance sheet date either at fair value through other comprehensive income or at fair value through profit and loss.

C. Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit quality of assets

Credit risk is the single largest risk for the Group's business. Management therefore carefully manages its exposure to credit risk. A centralized risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Expected Credit loss(ECL):

Credit Quality of Loans assets:

The following table sets out information about credit quality of loans measured at amortized cost based on days past due information. The amount represents gross carrying amount.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Gross carrying value	
Stage 1	11,85,824
Stage 2	6,223
Stage 3	22,855
Total Gross carrying value as at reporting date	**12,14,902**

Management of credit risk for financial assets

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees security deposits insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Group is a rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. Further, as we focus on providing micro-loans in Rural Areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. Such clients 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. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

In order to mitigate the impact of credit risk in the future profitability, the Group creates impairment loss allowance basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date. The Group had restructured or rescheduled the terms of certain loan accounts in the previous year on account of COVID-19 related restructuring measures prescribed by the Reserve Bank of India. This has resulted in increased management estimation over determination of losses for such restructured loans.

Inputs considered in the ECL model

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Non-payment on another obligation of the same customer is also considered as a stage III.

Exposure at default(EAD)

The EAD represents expected outstanding exposure subject to credit risk at the period/date, when default is considered. The Group does cash flow mapping based on contractual maturity for loans in Stage II, using the exposure at default in future years and the probability of default estimation based on macro variables. For stage I and stage III, as an approximation balance sheet outstanding is used.

Loss given default(LGD)

It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default.

Based on an analysis of historical data, the Group has estimated the loss given default, using historical recovery experience and recovery cost. This is referred to as the workout method. Such recoveries are discounted using interest rate of the loans. While calculating LGD percentage, 100% recoveries are estimated for the cases where the recoveries are absolutely certain to happen within a short period of time.

Probability of Default (PD)

“Probability of default” (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 asset’s a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. Historical DPD data is utilized to calculate through the cycle PD. PD analysis tracks the migration behaviour of a static pool of loans active at the end of each year across different buckets- Current-30 DPD, 31-90 DPD and 90+ DPD for the 12 month and lifetime period.

Forward looking information

Forward looking information is incorporated in the measurement of probability of default and consequently in measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Group forms a ‘base case’ view of the future direction of GDP growth rate as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Further, in the global pandemic Covid 19, management overlays are applied in determining forward looking scenarios. It is considered by evaluating all relevant internal and reasonably available external data namely Industrial research by various credit rating agencies.

Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Group have determined all assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor does not have sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Any recoveries made are recognized in Statement of Profit or Loss.

Credit Risk exposure

i) Expected credit losses for financial assets other than loans

(All amounts in ₹ Lakhs unless otherwise stated)

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,32,192	-	1,32,192
Bank balances other than cash and cash equivalents	15,674	-	15,674
Trade receivables	320	-	320
Other receivables	2,274	426	1,848
Investments	11,560	-	11,560
Other financial assets	17,225	-	17,225

iii) Expected credit loss for loans

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at March 31 2023	**10,71,054**	**7,205**	**34,808**
Assets originated	6,42,533	2,427	3,491
Net transfer between stages			
Transfer from stage 1	(18,603)	3,016	15,586
Transfer from stage 2	68	(1,266)	1,199
Transfer from stage 3	29	2	(31)
Assets derecognized or collected and write off	(5,09,257)	(5,161)	(32,198)
Gross carrying amount as at March 31 2024	**11,85,824**	**6,223**	**22,855**

Reconciliation of loss allowance provision from beginning to end of reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as on March 31 2023	**27,274**	**4,462**	**22,505**
Assets originated	33,498	1,742	5,629
Net transfer between stages			
Transfer from stage 1	(13,985)	2,301	11,684
Transfer from stage 2	-	(893)	893
Transfer from stage 3	(1)	1	(0)
Assets derecognized or collected	(9,711)	(3,208)	(20,513)
Gross carrying amount as at March 31 2024	**37,075**	**4,405**	**20,198**

Concentration of loans

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration by type of loan	As at 31 March 2024
Loans to body corporate -loans repayable on demand	-
Term loans(JLG and Individual loans)	11,58,324
Employee loans	194
Gross carrying Amount	**11,58,518**

37. Retirement benefit plans

The Company has the following defined benefits plans:
Gratuity(funded)

As per Ind AS-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

37.1

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Assets and liabilities recognized in the balance sheet	
Present value of the defined benefit obligation at the end of the year	2,029
Fair value of plan assets at the end of the year	770
Net liability / (asset) recognized in the balance sheet	**1,259**

37.2 Consolidated financial statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements'. These consolidated financial statements include the financial statements of Svatantra Microfin Private Limited (Holding Company) for the year ended 31 March 2024 and financial statements of subsidiary company, namely, Chaitanya India Fin Credit Private Limited for the period from 30 November 2023 to 31 March 2024, that is from the cut off date of the Holding Company acquired control. Accordingly, the data related to Service cost, Interest cost, and actuarial gain/loss for the stub year 30 November to 31 March 2024 for these subsidiaries is not realistically ascertainable in the absence of actuarial valuation in respect of the subsidiary on the date of transfer of control. The present obligation as at 31 March 2024 has been ascertained through actuarial valuation. Accordingly requisite disclosures have not been provided in respect of the financial statements for the year ended 31 March 2024. In opinion of the management, the amounts are not material and such non-disclosure does not affect the true and fair view of the consolidated financial statements.

38. Leases

Group as lessee

Group as a lessee The group's leased assets mainly comprise office buildings taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

(i) Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Total
As at 31 March 2023	**835**
Additions pursuant to business combination	444
Additions	915
Deletions	-
Depreciation expenses for the year	221
As at 31 March 2024	**1,973**

(ii) Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Total
As at 31 March 2023	**1,636**
Additions	609
Accretion of interest	143
Payment	363
As at 31 March 2024	**2,025**

The maturity analysis of lease liabilities are disclosed in Note 44.
The effective interest rate for lease liabilities is varying from 10.08% -10.40%, with maturity between 2019-2027

(iii) The following are the amounts recognized in profit or loss:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Amortisation expense of right-of-use assets	221
Interest expense on lease liabilities	143
Expense relating to short-term leases (included in other expenses)	1,920
Expense relating to leases of low-value assets (included in other expenses)	-
Variable lease payments (if any, included in other expenses)	-

The Group had total cash outflows for leases of Rs. 2283 lakhs in FY 2023-24.

39 Segment information

39.1 Business segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the Group as one segment of Financing. Thus, as defined in Ind AS 108 Operating Segments, the Group's entire business falls under this one operational segment.

39.2 Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in year ended 31 March 2024.

The Group operates in single geography i.e. India and therefore, geographical information is not required to be disclosed separately.

40 Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.82
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	0.08
(iv) 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 Micro, Small and Medium Enterprise Development Act, 2006.	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-

41 Share based payments

A. Employee stock option plan(ESOP)

The company has provided various equity settled share based payment schemes to its employees. On 10 October 2017 and 20 June 2022, the members of the company vide special resolution approved the Employee Stock Option Plan ('ESOP') scheme namely ESOP 2017 and ESOP Scheme 2022 respectively. The details are ESOP scheme as at 31 March 2024 are as follows. :-

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Grant	Phase	Number of Options granted	Vesting Period (In years)	Vesting Conditions
ESOP Scheme 2017	Grant-I	Phase-I	1,44,625	1 year from grant date	Continuous service
	Grant-I	Phase-II		2 year from grant date	Continuous service
	Grant-I	Phase-III		3 year from grant date	Continuous service
	Grant-II	Phase-I	3,24,481	1 year from grant date	Continuous service
	Grant-II	Phase-II		2 year from grant date	Continuous service
	Grant-II	Phase-III		3 year from grant date	Continuous service
	Grant-III	Phase-I	4,64,382	1 year from grant date	Continuous service
	Grant-III	Phase-II		2 year from grant date	Continuous service
	Grant-III	Phase-III		3 year from grant date	Continuous service
	Grant-IV	Phase-I	7,07,938	1 year from grant date	Continuous service
	Grant-IV	Phase-II		2 year from grant date	Continuous service
	Grant-IV	Phase-III		3 year from grant date	Continuous service
ESOP Scheme 2022	Grant-V	Phase-I	8,03,381	1 year from grant date	Continuous service
	Grant-V	Phase-II		2 year from grant date	Continuous service
	Grant-V	Phase-III		3 year from grant date	Continuous service
	Grant-VI	Phase-I	1,27,183	1 year from grant date	Continuous service
	Grant-VI	Phase-II		2 year from grant date	Continuous service

Exercise period for all the above schemes is occurrence of liquidity event which is as follows :-

a. Listing of equity shares on the recognized stock exchange.

b. Strategic Sale event conferring a right of drag along to the Current Shareholders.

c. Offer of purchase of shares from Option Grantees having Vested Options made by an investor.

d. Cash Settlement or Buy-back event whereby the Company makes an offer for settlement of the Vested Options with the Option Grantee or purchase Shares underlying Vested Options.

e. Any other event, which Board may designate as a liquidity event

The expense recognised for employee services received during the year is Rs.53.29 Lakhs.

(i) The following table lists the input to the Black Scholes models used for the options granted during the year ended 31 March 2024

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Date of Grant	20/11/17	01/07/18	15/07/19	15/07/20	01/10/22	20/02/24
Date of Board Meeting, where ESOP/ESOS were approved	08/09/17	08/09/17	08/09/17	08/09/17	26/05/22	20/02/24
Date of shareholders' approval	10/10/17	10/10/17	10/10/17	10/10/17	20/06/22	20/02/24
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period						
Exercise period	Occurrence of Liquidity event					
Vesting conditions	Continuous service					
Weighted average of remaining contractual Life in Years	Dependent upon happening of liquidity event* (assumed to be 5 years for calculation purpose)					

(ii) The details of activity under ESOP Scheme 2017 Plan and ESOP Scheme 2022 Plan with an exercise price for the year ended 31 March 2024 have been summarised as below:

Particulars	ESOP Scheme 2017 Plan				ESOP Scheme 2022 Plan	
	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Exercise Price per Share (Rs.)	16	16	20	20	23	20
Number of options Outstanding at the beginning of the year	1,44,625	3,24,481	4,64,382	7,30,393	9,06,009	-
Number of options Granted during the year	-	-	-	-	-	1,27,183
Number of Options Exercised during the year	-	-	-	-	-	-
Number of Options Lapsed during the year	-	-	-	22,455	1,02,628	-
Number of Options outstanding at the end of the year	1,44,625	3,24,481	4,64,382	7,07,938	8,03,381	1,27,183

(iii) Details of Stock Options granted during the year

The Weighted average exercise price of options granted on 20 November 2017, 1 June 2018, 15 July 2019, 15 July 2020, 01 October 2022 and 20 February 2024 is INR 15.91, INR 15.72, INR 20, INR 20, INR 23 and INR 20 respectively. The Black -Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Grant-I	Grant-II	Grant-III	Grant-IV	Grant-V	Grant-VI
Share price on the date of Grant (Rs.)	15.91	15.72	19.70	19.80	22.77	20.00
Exercise Price (Rs.)	15.91	15.72	20.00	20.00	23.00	20.00
Expected Volatility(%)	0.01%	50%	50%	50%	60%	50%
Life of the options granted in year	For grants vesting in year 1: 3.5 years For grants vesting in year 2: 4.51 years For grants vesting in year 3: 5.51 years	5 year	5 year	5 year	5 year	5 year
Risk Free Interest Rate(%)	For grants vesting in year 1: 6.62% For grants vesting in year 2: 6.77% For grants vesting in year 3: 6.90%	7.99%p.a.	6.51% p.a	4.94% p.a	7.45% p.a	7.18% p.a
Expected dividend rate(%)	0%	0%	0%	0%	0%	0%
Fair Value of the option (Rs.)	4.06	8.47	10.11	9.75	13.37	80.52

42. Maturity analysis of assets and liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024		
	Within 1 year	After 1 year	Total
Financial assets			
Cash and cash equivalents	1,32,192	-	1,32,192
Bank balances other than cash and cash equivalents	2,382	13,291	15,673
Trade receivables	320	-	320
Other receivables	1,848	-	1,848
Loans	7,27,905	4,25,319	11,53,224
Investment	11,560	-	11,560
Other financial assets	15,576	1,649	17,225
Non financial assets			
Current tax assets (net)	620	-	620
Deferred tax assets (net)	-	13,468	13,468
Property, plant and equipment	-	3,511	3,511
Right of Use assets	186	1,787	1,973
Goodwill	-	55,380	55,380
Other intangible assets	-	4,729	4,729
Other non-financial assets	977	3,502	4,479
Total assets	**8,93,566**	**5,22,636**	**14,16,202**
Liabilities			
Financial liabilities			
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,091	-	1,091
Other payables			
-Total outstanding dues of micro enterprises and small enterprises	4	-	4
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,431	-	1,431
Borrowings	6,12,216	5,02,281	11,14,497
Other financial liabilities	34,332	522	34,854
Non financial liabilities			
Provisions	1,628	1,736	3,365
Other non financial liabilities	2,157	207	2,364
Current tax liabilities (net)	108	-	108
Total liabilities	**6,52,967**	**5,04,746**	**11,57,713**

43. Comparison between IRACP and impairment allowance made under IND AS 109
Loan Classification as of 31 March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

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
Performing assets						
	Stage 1	11,85,824	37,075	11,48,749	7,842	29,234
	Stage 2	6,223	4,405	1,817	29	4,376
Subtotal		**1,192,047**	**41,481**	**1,150,566**	**7,871**	**33,610**
Non performing assets						
More than 90 days	Stage 3	22,855	20,198	2,658	12,033	8,165
Subtotal of doubtful		**22,855**	**20,198**	**2,658**	**12,033**	**8,165**
	Stage 1	11,85,824	37,075	11,48,749	7,842	29,233
Total	Stage 2	6,223	4,405	1,817	29	4,376
	Stage 3	22,855	20,198	2,658	12,033	8,165
	Total	**12,14,902**	**61,678**	**11,53,224**	**19,904**	**41,774**

44. Corporate social responsibility (CSR) expenditureLoan Classification as of 31 March 2024

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. The areas for CSR activities are promoting education, including special education and employment enhancing vocation skills, eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil air and water. The unspent CSR amount to be utilised in next three financial years for the ongoing projects have been identified during the financial year 2023-24.

a) Amount required to be spent by the Company during the year:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Amount required to be spent as per section 135(5)	373
Amount of expenditure incurred	241
Excess Expenditure Incurred over & above required amount	26
Unspent at the end of the year transferred to Unspent CSR Account (on account of ongoing projects identified)	132

b) Movement of Unspent CSR Balance on account of ongoing projects:

Particulars		Amount
Unspent CSR for the financial year 2022-2023	(A)	73
Amount spent for previous year's ongoing projects in financial year 2023-2024	(B)	73
Balance of unspent CSR for the financial year 2022-2023	(C = A - B)	-
Current Year Unspent CSR	(D)	132
Balance of Unspent CSR as of 31 March 2024	(E = C + D)	132

c) Details of the CSR activities

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the Entity	Nature of Activity	Amount	Status of Project
Ananya Birla Foundation	Mental health research project in rural area	40	Spent
Pangea EcoNetAssets Pvt Ltd	Grow trees	9	Spent
Dr Vidya Sagar Kaushalaya Devi Memorial Health Centre (Vimhans)	Eradicating Hunger, poverty and malnutrition & promoting healthcare including preventive healthcare	38	Spent
Mpower- Aditya Birla Education Trust	Eradicating Hunger, poverty and malnutrition & promoting healthcare including preventive healthcare	15	Spent
Smile foundation	Promoting education including special education and employment enhancing vocation skills among children, women	20	Spent
Centre For Learning and Empowerment (Cle Trust)	Donation for CLE's learning programs	19	Spent
Nishu Dubey Enterprises	Procured IT setup to education center	20	Spent
Multiple	Payments to Land Lords and other associate relating to CSR activity towards education	4	Spent
Ananta Marketing	Basic Amenities (RO purifiers) in Schools	16	Spent
Aqua majestic technologies	Basic Amenities (RO purifiers) in Schools	5	Spent
Bharath Enterprises	Basic Amenities (RO purifiers) in Schools	21	Spent
Birla Aircon	Basic Amenities (RO purifiers) in Schools	2	Spent
CHI Appliances	Basic Amenities (RO purifiers) in Schools	6	Spent
Climate control	Basic Amenities (RO purifiers) in Schools	6	Spent
Cool Planet	Basic Amenities (RO purifiers) in Schools	4	Spent
Jaiswal electronics	Basic Amenities (RO purifiers) in Schools	2	Spent
Katni online stores and services	Basic Amenities (RO purifiers) in Schools	6	Spent
Mahima Enterprises	Basic Amenities (RO purifiers) in Schools	2	Spent
Maruthi sales	Basic Amenities (RO purifiers) in Schools	1	Spent
Pavan electronic	Basic Amenities (RO purifiers) in Schools	1	Spent
Rama sales corporation	Basic Amenities (RO purifiers) in Schools	7	Spent
Sawan Electronics	Basic Amenities (RO purifiers) in Schools	2	Spent
Shubam Enterprises	Basic Amenities (RO purifiers) in Schools	3	Spent
Multiple	Payments to procure grocery items, bags and transportation relating to CSR activity towards Disaster Management	40	Spent
Multiple	Payments to CSR activity towards Afforestation	13	Spent
HelpAge India	Payments to CSR activity towards Health (check up camps)	40	Spent
Total		**339**	

d) Details of CSR activities with Related party

Name of the Entity	Amount
Ananya Birla Foundation	40

45. The Group holds a management overlay provision of Rs.16,513 lakhs as on 31 March 2024. The overlay taken is in lieu of likely scenario and its impact on the portfolio quality in the states of Punjab and Haryana and additional write off due to change in the 'write-off policy' from current ODs (overdue) 365 days to 180 days, to be proposed and adopted in FY 2024-25.

46. The board of directors, in their meeting held on 29 May 2024, declared an interim dividend of 5% Compulsorily Convertible Non-Cumulative Preference fully equity in nature as per IND AS 32 (financial Instruments-presentation) for FY 2023-24. This will entail a payout of Rs. 5,229 lakhs for FY 2023-24. The dividend is declared after the reporting date and hence not recognised as a liability as at 31 March 2024. The disclosure has been provided as per IND AS 1 (presentation of financial statements). The same will be placed in the ensuing Annual general meeting of the company for noting by the shareholders.

47. Details of Benami Property held

There are NIL proceedings have initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

48. Wilful Defaulter:

The Group is not declared as wilful defaulter by any bank or financial institution or other lender during the financial year 2023-24.

49 Relationship with struck off companies

Name of Struck off Company	Nature of transactions	Balance outstanding as at 31 March 2024	Relationship with the Struck off company
Nil	Nil	Nil	Nil

50. Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within statutory period by the Group

51. Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

52. Compliance with approved Scheme(s) of Arrangements

During the Financial year 2023-2024 the Group does not have any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013

53. Utilisation of Borrowed funds and share premium:

During the Financial year 2023-2024 the Group has not advanced or loaned or invested fund to/with any other person (s) or entities with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

54. Undisclosed income

The Group did not have any undisclosed income during in tax assessments during the financial year 2023-2024 under the Income Tax Act, 1961

55. Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year 2023-2024

The following table sets out the disclosure as required by the notification no.DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 issued by RBI, as amended.

56. Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio under RBI Guidelines:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
i) CRAR (%)	18.63%
ii) CRAR – Tier I Capital (%)	14.16%
iii) CRAR – Tier II Capital (%)	4.47%
iv) Amount of subordinated debt as Tier - II debt	38,701
v) Amount raised by issue of Perpetual Debt Instruments	Nil

57. Group Information

a) The special purpose performa consolidated financial statements of the group includes subsidiaries listed in the table below:

Name of the subsidiary	Proportion %	Country of Incorporation	Period of financial statements included in consolidation
Chaitanya India Fin Credit Private Limited	India	100%	From 30 November 2023 To 31 March 2024*

*SMPL has acquired a 100% stake in Chaitanya India Fin Credit Private Limited ("the Subsidiary Company") effective 23 November 2023. For the purpose of preparing the consolidated financial statements, SMPL has considered 30 November 2023, as the cut-off date. There have been no material or exceptional transactions during this period that could materially impact the consolidated financial statements.

b) Additional information as required by paragraph 2 of the general instructions for preparation of special purpose performa consolidated financial statements to Schedule III to the Companies Act,2013

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated total assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Svatantra Microfin Pvt Ltd	95%	2,46,596	68%	22,595	85%	(1,018)	67%	21,578
Chaitanya India Fin Credit Private Limited	42%	1,09,625	32%	10,615	15%	(184)	33%	10,431
Total elimination	(38%)	(97,733)	-	-	-	-	-	-
Total	**100%**	**2,58,487**	**100%**	**33,210**	**100%**	(1,202)	**100%**	**32,008**

58. Investments

During the year ended 31 March 2024, the Holding Company has invested INR 1,55,598 Lakhs to acquire 100% stake of Chaitanya India Fin Credit Private Limited ("the Subsidiary Company") a Non-Banking Financial Company-Micro Finance Institution registered with RBI.

59. Derivatives

The Group did not have any transactions in Derivatives during current and previous financial year.

60. Disclosures relating to Direct Assignment and Securitization and Asset Reconstruction

60.1 Details of loan transferred/ acquired during the year ended 31 March 2024 under the RBI master Direction on transfer of loan exposure vide circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22, Dt. 24 September 2021 are given below:

(i) Detail of transfer through Direct assignment in respect of loans not in default during the financial year 2023-2024.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024
Number of Loans	10,31,642
Aggregate Amount	3,18,529
Sale Consideration	2,86,676
Number of transactions	21
Weighted Average remaining maturity (Month)	16
Weighted Average holding period after origination (Month)	8
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	-
Rating wise distribution of rated loans	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-
Number of transferred loans replaced	-

(All amounts in ₹ Lakhs unless otherwise stated)

ii) Details of transfer through Co-lending akin to Direct Assignment during the year and quarter ended March 31, 2024:

The Group has transferred loans through Co-lending arrangements under CLM 2 model to the respective participating bank which are akin to Direct Assignment transaction under circular no.RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-lending by banks and NBFCs to priority sector.

Particulars	For the year ended 31 March 2024
Number of Loans	98,649
Aggregate amount	41,104
Sale consideration	32,023
Number of Transactions	19
Weighted average remaining Maturity(In months)	23
Weighted average holding period after Origination(In months)	1
Retention of beneficial economic interest	20%-25%
Coverage of tangible Security Coverage	-
Rating wise distribution of rated loans	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-
Number of transferred loans replaced	-

ii The Group has not transferred any non performing assets (NPAs).
iii The Group has not acquired any loans through Direct assignment.
iv The Group has not acquired any stressed loan.

60.2 Disclosures relating to Assignment transaction

During the year, the Group has entered into Direct Assignment ("DA") with banks ("Assignee") for direct assignment of its portfolio loans provided to various persons from time to time ("Receivables"). This has been duly approved by Board of Directors. Pursuant to this, following transactions have taken place during the year :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Total sanctioned receivables	3,18,529
No of accounts (Nos.)	10,31,642
Receivables assigned during the year	3,18,529
Minimum retention reserve for the Group	31,853
Payment made by Assignee for their purchased share	2,86,676
Net gain on derecognition of financial instruments under amortized cost category	18,609
Additional consideration realized in respect of accounts transferred in earlier years	-
Aggregate gain / loss over net book value	-

Further, pursuant to this transaction following closing balances are outstanding in the books of Group:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024
Payables toward DA transaction	26,961
Minimum retention reserve	30,897

61. Disclosure on Liquidity Risk

Background:

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at 31 March 2024 is as under:

i) Funding Concentration based on significant counterparty

Number of Significant Counterparties	Rs. In lakhs	% of Total Deposits	% of Total Liabilities
23	9,31,147	0	80%

Notes:

"A Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Non-Banking Financial Company Non-Deposit taking Systemically Important (NBFC-NDSI), Non-Banking Financial Group Deposit taking (NBFC-Ds) total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus basis extant regulatory ALM guidelines.

ii) Top 20 large deposits (amount in Crore and % of total deposits) - Not Applicable
iii) Top 10 borrowings

Rs. In lakhs	% of Total Borrowings
619,073	56%

Note:

Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines

iv) Funding Concentration based on significant instrument / Product

Name of the Instrument/Product	Rs. In lakhs	% of Total Liabilities
Term Loan	8,53,394	74%
Non Convertible Debentures (NCD)	65,597	6%
External Commercial Borrowing (ECB)	12,157	1%

Note:

A "Significant instrument/product" is defined as a single instrument accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities.

v) Stock Ratios:

Stock Ratio	%
i) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	-
ii) Non-convertible debentures (original maturity of less than one year) as a % of total assets	-
iii) Other short-term liabilities as a % of total liabilities	56%
iv) Other short-term liabilities as a % of total assets	46%

Note:

Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

vi) Institutional set-up for Liquidity Risk Management

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk faced by the Group. The RMC meets as and when required to review and monitor the risks associated with the business of the Group.

The Board of Directors has also constituted Asset Liability Committee (ALCO), which address concerns regarding Asset Liability mismatches of the Group from risk-return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to address concerns regarding asset liability mismatches, achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity, address concerns regarding interest rate risk exposure and to do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws. ALCO meetings are held at regular intervals and the minutes of the meeting is placed before the Board of Directors for its perusal/ratification.

62. Exposures

62.1 Exposures to Real Estate Sector

Particulars	As at 31 March 2024
A. Direct exposure	
i) Residential mortgages	**120.44**
(Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented)	
ii) Commercial real estate:	
(Lending secured by mortgages on commercial real estates office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi - tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits)	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	
a) Residential	-
b) Commercial real estate	-
B. Indirect Exposure	
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-
Total Exposure to Real Estate Sector	**120.44**

62.2 Exposures to Capital Market

The Group has no exposure to the capital market directly or indirectly in the current year,

63. Details of financing of parent company products

The disclosure is not applicable as the SMPL does not have any holding/parent Company.

64 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has not exceeded the prudential exposure limits during the current financial year by the Group.

65 Unsecured Advances

Refer "Note 5" of Financial statements.

66 Miscellaneous

66.1 Registration obtained from other financial sector regulators

The Group is registered with the following other financial sector regulators:

(i) Ministry of Corporate Affairs (the Holding Company)
(ii) Ministry of Corporate Affairs (MCA) (the Subsidiary Company)
(iii) Ministry of Finance (Financial Intelligence Unit) (the Subsidiary Company)
(iv) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) (the Subsidiary Company)

66.2 Disclosure of penalties imposed by RBI and other regulators

No penalty imposed by RBI and other regulators during the current financial year.

66.3 Related Party Transactions

(i) All material transactions with related parties are disclosed in "Note 33" of the Financial Statements.

(ii) The Group has the policy on dealing with Related Party Transactions which is available on its website www.svatantramicrofin.com.

66.4 Remuneration of Directors

Name of the directors	As at 31 March 2024
Shankar Girija Natarajan	4
Meena Jagtiani	3

66.5 Net Profit or Loss for the year, prior period items and changes in accounting policies

The financial statements for the year ended March 31, 2024 have been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI'), wherever applicable. There is no change in accounting policies during the financial year 2023-2024.

66.6 Revenue Recognition

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

67 Additional Disclosures

67.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2024
i) Provisions for security receipts	1,281
ii) Provision towards standard asset	10,642
iii) Provision for non-performing assets	(3,205)
iv) Provision made towards Income tax (Including deferred tax and earlier period tax adjustments)	10,493
v) Other provision and contingencies (employee benefits)	2,647
vi) Provision on other assets	79

67.2 Draw Down from Reserves

There have been no drawdown from Reserves during the current and previous financial years

67.3 Concentration of Deposits, Advances, Exposures and NPAs

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of Deposits (for deposit taking NBFCs)	As at 31 March 2024
Total Deposits of twenty largest depositors	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of Advances	As at 31 March 2024
Total Advances to twenty largest borrowers	69
Percentage of advances to twenty largest borrowers to Total advances of applicable NBFC	0.01%

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of Exposures	As at 31 March 2024
Total Exposure to twenty largest borrowers / customers (Including interest accrued and due)	70
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.01%

(All amounts in ₹ Lakhs unless otherwise stated)

Concentration of NPAs	As at 31 March 2024
Total Exposure to top four NPA accounts	15

67.4 Movement of NPAs

Particulars	As at 31 March 2024
(i) Net NPAs to Net Advances (%)	0.23%
(ii) Movement of NPAs (Gross)	
(a) Opening balance	34,808
(b) Additions during the year	20,245
(c) Reduction/write off during the year	(32,198)
(d) Closing balance	22,856
(iii) Movement of NPAs (Net)	
(a) Opening balance	12,304
(b) Additions during the year	2,039
(c) Reduction/write off during the year	(11,685)
(d) Closing balance	2,658
(iv) Movement of provisions for NPAs (excluding provision on standard assets)	
(a) Opening balance	22,505
(b) Additions during the year	18,206
(c) Reduction/write off during the year	(20,513)
(d) Closing balance	20,198

67.5 Overseas Assets

During the year, there are no overseas assets in the Group.

67.6 Off-Balance Sheet SPVs sponsored

During the year, there are no off-balance sheet SPVs sponsored by the Group.

67.7 Customer Complaints

Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2024
Complaints received by the Group from its customers	-
1. Number of complaints pending at the beginning of the year	1
2. Number of complaints received during the year	1,445
3. Number of complaints disposed during the year	1,420
3.1 Of which, number of complaints rejected by the Group	208
4. Number of complaints pending at the end of the year	26
Maintainable complaints received by the Company from Office of Ombudsman	-
5.* Number of maintainable complaints received by the Group from Office of Ombudsman	4
5.1 Of 5, number of complaints resolved in favour of the Group by Office of Ombudsman	4
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-
6.* Number of Awards unimplemented within the stipulated time (other than those appealed)	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the scheme.

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the scheme.

Disclosures required by the RBI vide Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22 October 2021

67.8 Loans to Directors, senior officers and relatives of Directors

Particulars	As at 31 March 2024
Directors and their relatives	-
Entities associated with directors and their relatives	-
Senior officers and their relatives	-

67.9 The Group has no intra-group exposure as at current and previous financial year end.

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

69. In the opinion of the management, the current assets, non-current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

70. Balances of certain receivables, payables, short term loans and advances and long term loans and advances are subject to confirmation and reconciliation if any. The management does not expect any material difference affecting the financial statements on such reconciliation / confirmation.

71. The Group is registered with the Reserve Bank of India (RBI) as a "Non Banking Financial Company- Micro Finance Institution" vide Certificate of Registration dated February 05, 2013.

72. "Master Direction– Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions,RBI/DOR/2021-22/89 DoR.FIN. REC.95/03.10.038/2021-22 dated March 14, 2022, (Updated as on July 25, 2022) a Micro Finance Institution (MFI) is required to have not less than 75% of its 'Total Assets' in the nature of 'Qualifying Assets'. As at March 31, 2024, the Company is in compliance with this condition as its 'Qualifying Assets' is more than 75% of its 'Total Assets'.

73. Additional disclosures pursuant to the RBI/2021-22/112DOR.CRE.REC.No. 60/03.10.001/2021-22 dated October 22, 2021 on Scale Based Regulation (SBR) : A Revised Regulatory Framework for NBFCs

The Group is a non-listed NBFC and the Corporate Governance Disclosure is covered under the corporate governance/ appropriate section of the Annual Report.

74. The disclosure required in terms of paragraph 19 of Master Direction- Non-Banking Financial Company (Reserve Bank) Direction, 2016 is given in "Annexure I".

75. Additional Regulatory Information pursuant to Division III of Schedule III of Companies Act, 2013 has been disclosed to the extent applicable to the Company, as amended from time to time

76. Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

Signature to Note 1 to 76

As per our report of even date attached
BGJC & Associates LLP
Chartered Accountants
Firm's Reg. No.: 003304N / N500056
Sd/-
Pranav Jain
Partner
Membership No. 098308
Place : Mumbai
Date : 29 May 2024

For and on behalf of the Board of Directors of
Svatantra Microfin Private Limited

Sd/-
Ananyashree Birla
Director
DIN No. 06625036
Place : Mumbai
Date : 29 May 2024

Sd/-
Vineet Bijendra Chattree
Director
DIN No. 07962531
Place : Mumbai
Date : 29 May 2024

Sd/-
Vrushali Mahajan
Chief Financial Officer
Place : Mumbai
Date : 29 May 2024

Sd/-
Surinder Kumar Bhatia
Company Secretary
Membership No. 17227
Place : Mumbai
Date : 29 May 2024

AGM Notice

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of **Svatantra Microfin Private Limited** will be held at a shorter notice on **Monday,** 30th September 2024 at 2:30 PM at the Registered Office of the Company at Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013 to transact the following business:

ORDINARY BUSINESS:

1. To adopt Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended 31st March 2024:

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company including the Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Notes and Schedules along with the Statutory Auditor's Report and the Board's Report for the financial year ended 31st March 2024.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements comprising Statement of Profit & Loss of the Company for the financial year ended 31st March 2024, the Balance Sheet as at that date and Cash Flow Statement for the financial year ended 31st March, 2024 together with the Notes as annexed thereto and the Reports of the Auditors and the Board of Directors, thereon as circulated to the Members, be and are hereby considered and adopted."

2. To confirm payment of interim dividend on 5% Compulsorily Convertible Non-Cumulative Preference Shares for financial year 2023-24:

"RESOLVED THAT an interim dividend at the rate of Rs. 5/- per 5 % Compulsorily Convertible Non-Cumulative Preference Shares of Rs. 100/- each, as declared by the Board of Directors for financial year 2023-24 paid to the members, be and is hereby confirmed."

3. To appoint Statutory Auditors of the Company:

To appoint M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) as Statutory Auditors of the Company to hold office from the conclusion of the 13th Annual General Meeting of the Company till the conclusion of the 16th Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following Resolutions as an Ordinary Resolution:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, under the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Circular no. RBI/2021-22/25 Ref. No. DoS. CD.ARG/ SEC.01/08.91.001/2021-22 dated 27th April 2021 read with Frequently Asked Questions (FAQs) dated 11th June 2021 issued by the Reserve Bank of India ("RBI") for appointment of Statutory Auditors of NBFCs (RBI Circular / Guidelines) and the rules, regulations, circulars, directions and other guidelines/clarifications if any, issued by the RBI from time to time for the appointment of Statutory Auditors and as recommended by Audit Committee and Board of Directors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), who have confirmed their eligibility as per Section 141 of the Act and RBI Circular, be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of 3 (Three) consecutive years from the conclusion of this 13th (Thirteenth) Annual General Meeting till the conclusion of the 16th (Sixteenth) Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to decide and finalise the terms and conditions of appointment, including the remuneration and to do all acts, deeds, matters and things and to take all decisions as it may deem fit in its absolute discretion to give effect to this resolution and for the matters connected therewith or incidental thereto."

By Order of the Board of Directors of
Svatantra Microfin Private Limited

Surinder Kumar Bhatia
Company Secretary and Chief Compliance Officer
Membership No.: ACS-17227

Date: 26th September 2024
Place: Mumbai

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING/AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Members/Proxies are requested to bring in a duly filled Attendance Slip attached herewith to attend the Meeting.

3. Institutional/Corporate Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization, etc, authorizing their representative to attend the AGM on its behalf and to vote in the AGM.

4. Members are requested to bring their copy of the Notices at the Annual General Meeting.

5. The route map to the venue of the AGM as per the requirement of Secretarial Standard - 2 is attached for the perusal of the Members.

Explanatory Statement Pursuant To Section 102 Of The Companies Act, 2013

Item No. 3 – Appointment of Statutory Auditors of the Company

Reserve Bank of India ("RBI") Circular No. RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021 ('Circular'/'Guidelines') for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors ("Statutory Auditors") of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines" / Circular") and subsequent clarification / FAQs issued by RBI on 11th June 2021, stipulates that Entities will have to appoint the Statutory Auditors (SAs) for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Also, an audit firm that has completed full or part of one term of the audit tenure shall not be eligible for re-appointment in the same Entity for a period of 6 (six) years thereafter.

Further, in terms of aforesaid RBI Guidelines and pursuant to provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, including any modifications or re-enactments thereof, M/s. BGJC & Associates LLP, Chartered Accountants (Firm Registration 003304N/N500056) were appointed as the Statutory Auditors of the Company for a continuous period of 3 (three) years, to hold office till the conclusion of the Annual General Meeting (AGM) for FY 2023-24.

Accordingly, pursuant to aforesaid RBI Guidelines and the provisions of the Act, the Board of Directors of the Company ("the Board"), on the recommendation of the Audit Committee (the "Committee"), has recommended for the approval of the Members, the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), as the Statutory Auditors of the Company, for a term of 3 (three) consecutive years from the conclusion of 13th (Thirteenth) AGM till the conclusion of the 16th (Sixteenth) AGM at such remuneration as may be fixed, from time to time, by the Board of Directors of the Company.

Before recommending the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) as the Statutory Auditors of the Company, the Committee considered various parameters as specified in the RBI Circular and Section 141 of the Companies Act, 2013 ("the Act"), like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge, experience of the partners etc., and found M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) to be suitable to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. Brief profile of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants is as under:

Brief profile of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants

M/s. S. R. Batliboi & Co. LLP is a member entity of S.R. Batliboi & Affiliates network of firms of Chartered Accountants started in 1914 and registered with the Institute of Chartered Accountants of India. The firm is engaged in audit, other assurance and taxation services. The firm has a client base spanning Indian businesses, multinationals, and listed companies in India across sectors.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the said resolution. The Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for approval of the Members.

Form No. MGT-11

SVATANTRA MICROFIN PRIVATE LIMITED
Registered Office: Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013
(CIN: U74120MH2012PTC227069)
PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Registered address:

E-mail ID:

Folio No./DP ID:

Client ID:

I/We, being the member(s) of __________ shares of the above named company, hereby appoint:

1. Name: ____________________
   Address: ____
   E-mail ID: _______________________________ Signature: ____________________, or failing him/her

2. Name: ____________________
   Address: ____
   E-mail ID: _______________________________ Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company, to be held at Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013 on **Monday,** 30th September 2024 at 2:30 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

*I/We wish my/our above proxy(ies) to vote in the manner as indicated in the box below:

Item No.	Description	For	Against
1.	To adopt Audited Financial Statements of the Company for the Financial Year ended 31st March 2024:		
2.	To confirm payment of interim dividend on 5% Compulsorily Convertible Non-Cumulative Preference Shares for financial year 2023-24		
3.	To appoint Statutory Auditors of the Company		

Signed this ___________________ day of __________ 2024

Affix Revenue Stamp of Re. 1

________________________ ________________________
Signature of Proxy holder(s) Signature of shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Svatantra Microfin Private Limited

Registered Office: Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013
(CIN: U74120MH2012PTC227069)

Attendance Slip

13th Annual General Meeting at Level-20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013, Maharashtra on **Monday,** 30th September 2024 at 2.30 P.M.

Folio No.	DP ID	Client ID	Number of Shares held

I certify that I am a member/proxy/authorized representative for the member of the Company.

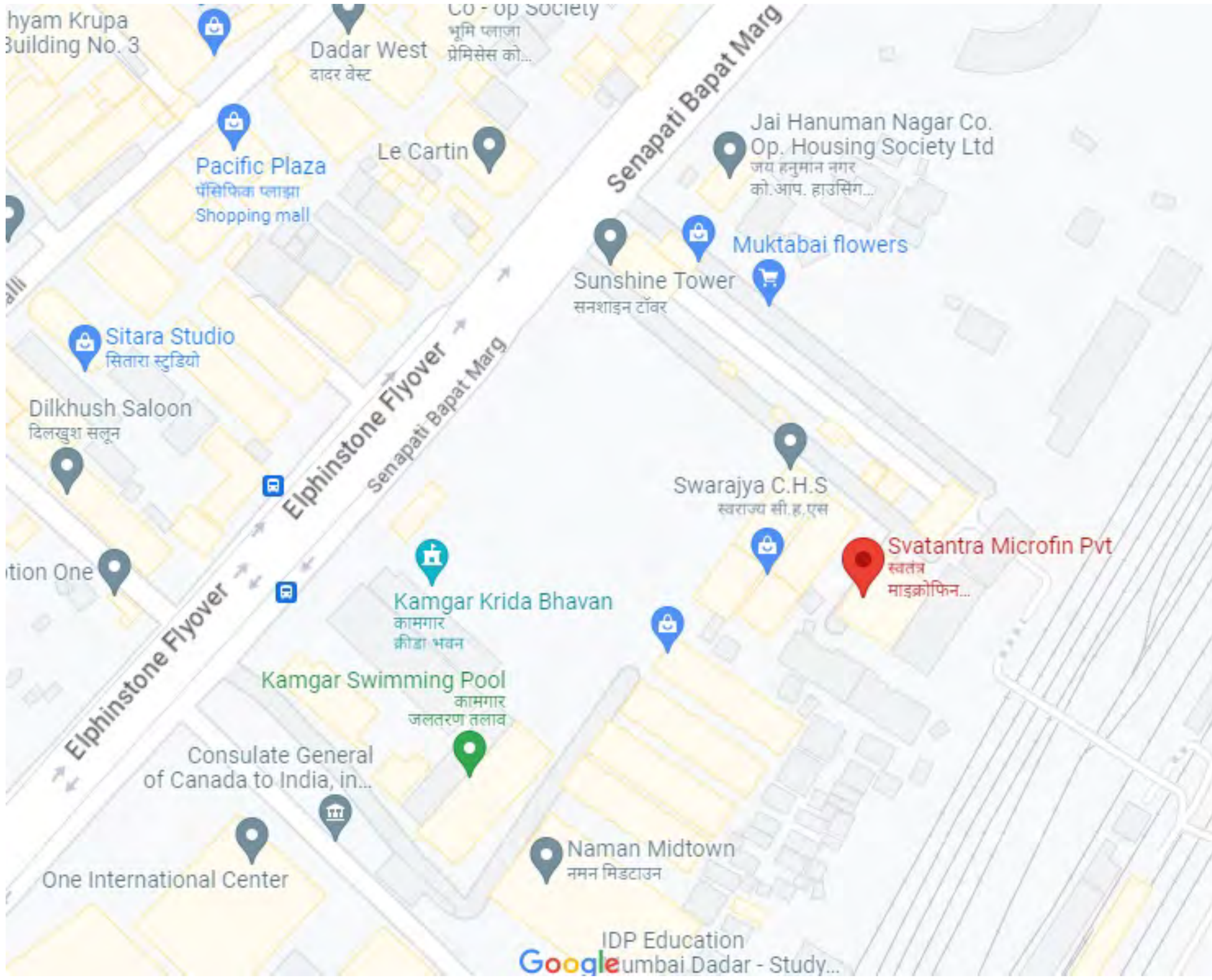
____
Member/Proxy/Representative's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the Meeting Room. Only member/proxy/representative can attend the meeting.

Route Map

13th Annual General Meeting of Svatantra Microfin Private Limited to be held at the Registered Office of the Company at Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013 on Monday, 30th September 2024 at 2.30 P.M.

Prominent Landmark: Near One International Centre.



***Source: Google Maps**

Corporate Information

REGISTERED OFFICE

Sunshine Tower, Level 20,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai – 400013
Email ID: secretarial@svatantra.adityabirla.com
Website: https://www.svatantramicrofin.com/index
Contact Number: 022-61415900

REGISTRAR AND TRANSFER AGENT

Adroit Corporate Services Private Limited
19/20 Jaferbhoy Ind. Estate,
1st floor, Makwana Road,
Marol, Andheri (E),
Mumbai – 400 059

CORPORATE IDENTIFICATION NUMBER

U74120MH2012PTC227069

STATUTORY AUDITOR

M/s. BGJC & Associates LLP, Chartered Accountants
(Registration no. 003304N/N500056)
Head Office: Raj Tower-I, G-1,
Alaknanda Community Center,
New Delhi-110 019

SECRETARIAL AUDITOR

MMJB & Associates LLP
Company Secretaries
Ecstasy, 803/804, 8th Floor,
City of Joy, J.S.D Road,
Mulund (W), Mumbai- 400080

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
901, 9th floor, Tower B, Peninsula Business Park Tower,
Senapati Bapat Marg, Lower Parel, W, Mumbai,
Maharashtra 400013

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SVATANTRA