NOTICE

Notice is hereby given that the **Fourteenth (14th)** Annual General Meeting of the Members of **Ananya Finance for Inclusive Growth Private Limited** will be held on Monday, 14th August, 2023 at 4:00 pm through Video Conferencing (VC) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited standalone and Consolidated Profit and Loss Account for the financial year ended 31st March, 2023 and the Balance Sheet as at 31st March, 2023 together with the Reports of the Directors and the Statutory Auditors' thereon.

SPECIAL BUSINESSES:

2. **Regularization of Appointment of Mr. Abhisek Khanna as Executive Director:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and Section 161(1) of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and the recommendation of the Board Members, the consent of the shareholders be and is hereby accorded, to appoint Mr. Abhisek Khanna (DIN: 09680649) who was appointed as an Additional Director (Executive) by the Board of the Company in their meeting held on to 16th May 2023 be and is hereby appointed as Executive Director of the Company at a yearly fixed remuneration(CTC)65,85,610/-or such other sum as may be decided by the Board from time to time and upon such terms and conditions as mentioned in the appointment letter".

"**RESOLVED FURTHER THAT** Mr. Gaurav Gupta, Managing Director of the Company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

Date: 30th June 2023
Place: Ahmedabad

By Order of the Board of Directors
For Ananya Finance for Inclusive Growth Private Limited

For Inclusive Growth Pvt. Ltd. Ananya Finance * Ahmedabad

Mr. Gaurav Gupta
Managing Director
DIN: 08663203

Ms. Anjali Choksi
Director
DIN: 08074336

For Inclusive Growth Pvt. Ltd. Ananya Finance * Ahmedabad

NOTES:

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

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

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

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

5. The Notice of the AGM along with the Annual Report for the financial year 2022-2023, is being sent only through electronic mode to those members whose email addresses are registered with the Company. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately. The Notice of the AGM along with the Annual Report for the financial year 2022-2023 is also available on the website of the Company viz; https://www.ananyafinance.om/

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

Ananya Finance For Inclusive Growth Pvt. Ltd. Ahmedabad *

Ananya Finance For Inclusive Growth Pvt. Ltd. Ahmedabad *

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the special businesses mentioned at the accompanying notice of the meeting of the shareholders of Ananya Finance for Inclusive Growth Private Limited ("Company") to be held on **14th August 2023.**

2. Regularization of Appointment of Mr. Abhisek Khanna as Executive Director:

Mr. Abhisek Khanna was appointed as an Additional Director in the capacity of Executive with effect from 16th May 2023 by the Board of Directors in accordance with the Articles of Association of the Company and Section 149, 152 and Section 161(1) read with Companies (Appointment and Qualifications of Directors) Rules, 2014.

Mr. Abhisek Khanna (aged 45 years) has done his Bachelor of Commerce from Lucknow University and P.G. Diploma in Rural Management (PGDRM) from Institute of Rural Management, Anand (IRMA). He has around more than 18 years of professional experience across Small & Medium Enterprises, Mid-Market, Farm Equipment Finance, Microfinance and Loan against Gold. He has experience in devising products, process, policies, delivery models, sales strategies, credit underwriting, monitoring and collections, lending (Product, Credit, Sales and Collection) both Retail and Corporate Banking Teams.

Mr. Abhisek Khanna joined the company in Jun'21 as Head-Retail Business and is deputed to Prayas where he was tasked with leading the business and operations. Given that the Company has shifted from wholesale to retail lending and building its direct retail lending business, the Board has decided to take up the promotion of Mr. Abhisek Khanna as the Executive Director of the Company and will be a part of the Company's Board.

Based on the recommendation of the Board Members and in view of his knowledge, skill and expertise related to the industry of the company, it is proposed to appoint Mr. Abhisek Khanna as an Executive Director of the company in terms of section 149 read with section 152 of the Companies Act,2013.

The other additional information for appointment of Mr. Abhisek Khanna as Executive Director of company, are as follows:

NUMBER OF BOARD MEETING ATTENDED DURING THE YEAR: 1 (One)

DETAILS OF DIRECTORSHIP IN OTHER BOARD: Prayas Financial Services Private Limited as Managing Director

REMUNERATION: Yearly fixed Remuneration (CTC) of Rs 65,85,610- or such other sum as may be decided by the Board from time to time.

SHAREHOLDING IN THE COMPANY: Nil

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

NATURE OF DUTIES:

1. overall supervision of the functions of the Company.
2. Handling Day to day affairs of the Company.
3. Appointment and Termination of the services of the employees.
4. Operating banking transactions.
5. liaison, communication and submission of documents and application to Government Authorities including Reserve Bank of India, Income Tax, Goods and Service Tax and any other local /regulatory authority.
6. To perform all other duties as the Board may delegate from time to time

TERMS AND CONDITIONS: All the other provisions of Ananya's HR Policy shall stand applicable.

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

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

Date: 30th June 2023
Place: Ahmedabad

By Order of the Board of Directors
For Ananya Finance for Inclusive Growth Private Limited

Ananya Finance For Inclusive Growth Pvt. Ltd. Ahmedabad

Mr. Gaurav Gupta
Managing Director
DIN: 08663203

Ms. Anjali Choksi
Director
DIN: 08074336

Ananya Finance For Inclusive Growth Pvt. Ltd. Ahmedabad

ANANYA FINANCE FOR INCLUSIVE GROWTH PVT. LTD

DIRECTORS REPORT TO THE MEMBERS FOR THE YEAR ENDED 31ST MARCH, 2023

To,

The Members,

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

1. Financial Results summary

Particulars	Rs. (In Lakh) For the year ended 31st March 2023	Rs. (In Lakh) For the year ended 31st March 2022
Income from Operation	6,227.00	3,966.38
Other income	118.25	42.37
Profit (Loss) before Depreciation & Tax	321.06	272.37
Less: Depreciation	43.25	41.40
Profit (Loss) before Tax	277.81	230.97
Less: MAT / Current Tax	82.46	-
Less: Deferred Tax (expense)/benefit	38.99	(127.37)
Profit (Loss) after Tax	234.34	103.60

2. Dividend

Your Directors do not recommend dividend for the year.

3. Reserves

Your Directors have transferred Rs.46.87 lakh to the Statutory Reserves as per the Reserve Bank of India Act, 1934.

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

During the year under review, the total income of your company stands at Rs. 6,345.25 lakhs. The Profit before tax and exceptional items stood at Rs.277.81 lakh. The Profit after tax stood at Rs.234.34 lakh.

Our Loan assets under management (AUM) stood at Rs. 35,507.68 lakhs.

The consolidated GNPAs and NNPAs, recognized as per RBI's prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, stood at 1.97% and 0.72% respectively. Provision coverage, under Ind AS norms, on stage 3 assets for the year was 59%. The overall ECL provision stands at 1.82% of the EAD.

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Despite the challenging environment for the industry, your company managed its liquidity well with adequate margin of safety. The company had a positive ALM throughout the year, whereby inflows exceeded expected outflows across all buckets.

- **Acquisition of Prayas Financial Services Pvt. Ltd.**

Your Company had taken the approvals of Board of Directors & Shareholders of the Company dated 18th January 2021 for investing the fund of the Company aggregating upto Rs. 15,00,00,000 (Rupees Fifteen Crores only) in shares of Prayas Financial Services Private Limited ("Prayas") as a downstream investment in one or more tranches.

1st Tranche: Your Company has acquired 5,00,000 equity shares at a price of Rs. 15 (Rupees Fifteen only) each (premium of Rs. 5 {Rupees Five only}) aggregating to Rs. 75,00,000 (Rupees Seventy Lakhs only) giving 5.87% stake in Prayas in the month of January of F.Y. 2020-21.

2nd Tranche: After getting necessary approvals from the regulator, Reserve Bank of India, dated 6th May 2022, during the year, your company has acquired 1,00,00,000 (One Crore) equity shares at a price of Rs. 12 (Rupees Ten only) each (premium of Rs. 2 {Rupees Two only}) aggregating to Rs. 12,00,00,000 (Rupees Twelve Crore only) giving 49.6% stake in Prayas thereby making it a subsidiary Company of Ananya by holding in aggregate 55.47% of stake in Prayas.

During the year, your company is planning at acquiring balance stake in Prayas, for making it a wholly owned subsidiary Company of Ananya.

- **Issue and allotment of Non-Convertible Debentures through Private Placement basis:**

During the year, the Company has raised funds by way of issuance and allotments of following Non-Convertible Debentures on preferential basis/private placement:

1) 220 (two hundred and twenty) fully paid, senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of the face value of INR 10,00,000/- (Indian Rupees Ten Lakhs Only) each, for cash at par, aggregating up to INR 22,00,00,000/- (Indian Rupees Twenty-Two Crores Only) to Promising Lenders Fund on 8th April 2022.

2) 150 (one hundred and fifty) fully paid, senior, secured, rated, unlisted, taxable, redeemable, non-convertible debentures of the face value of INR 10,00,000/- (Indian Rupees Ten Lakhs Only) each, for cash at par, aggregating up to INR 15,00,00,000/- (Indian Rupees Fifteen Crores Only) to Vivriti Samarth Bond Fund on 13th April 2022.

3) 220 (Two Thousand and Twenty) Rupee denominated, unlisted, unsecured, transferable, redeemable and interest bearing non-convertible debentures ("NCDs") of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating upto Rs. 22,00,00,000/- (Rupees Twenty-Two Crores only) for cash, at par, to Gojo & Company, Inc on 4th June 2022.

4) 225 (Two Hundred and Twenty-Five) Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each,

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aggregating up to Rs. 22,50,00,000/- (Rupees Twenty-Two Crores and Fifty Lakhs only) to UTI International Fund Creator 4 on 19th July 2022.

5) 200 (Two Hundred) Rated, Secured, Unsubordinated, Unlisted, Taxable, Transferable, Redeemable, Non-Convertible Debentures having face value of INR 10 Lakhs (Indian Rupees Ten Lakhs Only) each, aggregating up to Rs. 20,50,00,000/- (Rupees Twenty Crores only) to Northern Arc India Impact Trust with Northern Arc India Impact Fund as its scheme on 17th March 2022.

5. CREDIT RATING OF NON-CONVERTIBLE SECURITIES:

During the year under review, your company has obtained credit rating form the following credit rating agencies:

1) Credit rating of BWR BBB/Negative from Brickwork Ratings India Private Limited, reaffirmed via letter dated 17th June 2022 w.r.t Secured Non-Convertible Debt Securities issued to Union Bank of India, Vivriti Samarth Bind Fund, Promising Lenders Fund and UTI international Wealth Creator 4.

2) Credit rating of IVR BBB/Positive from Infomerics Valuation and Rating Private Limited via letter dated 4th April 2023 w.r.t the Secured Non-Convertible Debt Securities issued to Union Bank of India, Vivriti Samarth Bind Fund, Promising Lenders Fund and UTI international Wealth Creator 4.

3) Credit rating of Acuite BBB/Stable from ACUITE Ratings and Research Limited via letter dated 14th April 2023 w.r.t the Secured Non-Convertible Debt Securities issued to Northern Arc India Impact Trust with Northern Arc India Impact Fund as its scheme and Vivriti Samarth Bind Fund.

5. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the year under review. Your company continues to operate in the space of financial inclusion by extending loans to women micro-borrowers who form the bottom of the economic pyramid, to micro & small enterprises and to SMEs in the Agriculture & Climate change reversal sectors.

6. CHANGES IN CAPITAL STRUCTURE:

There has been no change in the Capital Structure of the Company during the Financial Year 2022-23.

The Authorised Share Capital of the Company as on 31st March, 2023 is Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into **(1)** 14,50,00,000 (Fourteen Crore Fifty Lakh) Equity Shares of Rs 10/- (Rupees Ten Only) each [Comprised of 13,50,00,000 (Thirteen Crore Fifty Lakh) Equity Shares of Category "A" of Rs 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Equity Shares of Category "B" of Rs 10/- (Rupees Ten Only) each] AND **(2)** 5,50,00,000 (Five Crore Fifty Lakh) Preference Shares of Rs 10/- (Rupees Ten Only) each.

As on 31st March, 2023, the Company has neither issued shares with differential voting rights nor sweat equity shares and none of the Directors of the Company hold any convertible instruments.

7. DISCLOSURE U/S 164(2) OF THE COMPANIES ACT, 2013

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

8. Extract of Annual Return

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

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

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

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

1) Ms. Anjali Choksi (DIN: 08074336) and has been appointed as the Independent Directors of the Company by the Board and Shareholders in its meeting held on 18th May, 2022. The Shareholders of the Company in its 13th Annual General Meeting held on 12th August 2022 has regularize the appointment of Ms. Anjali Choksi for a period of 5 (Five) years.
2) Ms. Namrata Chindarkar (DIN: 09685345) has been appointed as the Independent Directors of the Company by the Board and Shareholders in its meeting held on 12th August, 2022. The Shareholders of the Company in its 13th Annual General Meeting held on 12th August 2022 has regularize the appointment of Ms. Namrata Chindarkar for a period of 5 (Five) years.
3) Mr. Gaurav Gupta (DIN: 08663203) has been re-appointed as the Managing Director of the Company by the Board and Shareholders in its meeting held on 25th January, 2023 and 30th January 2023 respectively for a period of 5 (Five) years starting from 1st February, 2023 to 31st January, 2028.
4) Ms. Divya Rathi has been appointed as designated Company Secretary cum Compliance Officer of the Company w.e.f. 15th February, 2023 in the Board meeting held on 14th February 2023.

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

1) Mr. Navin Kumar Maini Chairman cum Independent Director has resigned from the Board w.e.f. 30th September,2022.
2) Ms. Lavina Parikh, Company Secretary of the Company has resigned from her office w.e.f. 14th February, 2023

10. Declaration from Independent Director(s).

The Company has received requisite declaration of Independence from Ms. Anjali Choksi, Ms. Namrata Chindarkar and Ms. Tara Nair required pursuant to section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in section 149(6) of the Act. At the first meeting of Board held for financial year 2023-24, the Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions as specified in the Act and the rules made thereunder for appointment as ID and confirm that they are independent of the management.

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11. *Details of Subsidiaries Companies, Joint Venture or Associate Company & LLP/Partnership

Sr. No.	Name of Company	Nature of Relationship	No. of Share hold/Capital Contribution
1.	Prayas Financial Services Private Limited	Subsidiary	1,05,00,000(One Crore Five Lacs) Equity Shares

12. Performance of the Subsidiary Company:

During the FY 2022-23, the subsidiary Prayas Financial Services Pvt. Ltd. (Prayas) saw its income increase by 75% from Rs.686.49 lakh to Rs.1203.33 lakh. Prayas made a profit for the year of Rs.53.43 lakh as against a loss of Rs.191.17 lakh during the previous FY 2021-22. The company's loan portfolio increased from Rs.1045.42 lakh to Rs.1750.60 lakh. Its overall Gross Loan Portfolio including the Managed portfolio increased to Rs.11387 lakh.

13. Number of Board Meetings

During the Financial Year 2022-23, 7 (Seven) meetings of the Board of Directors of the company were held on the following dates:

Sr. No.	Date of Board Meeting	No. of Director Present in the Meeting
1.	6th April, 2022	All the Directors were present in the meeting.
2.	18th May, 2022	6 (Six) out of 8 (Eight) Directors were present in the meeting.
3.	12th August, 2022	All the Directors were present in the meeting.
4.	11th November, 2022	7(Seven) out of 8 (Eight) Directors were present in the meeting.
5.	25th January, 2023	7(Seven) out of 8 (Eight) Directors were present in the meeting.
6.	14th February, 2023	7(Seven) out of 8 (Eight) Directors were present in the meeting.
7.	9th March, 2023	5(Five) out of 8 (Eight) Directors were present in the meeting.

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

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During the year under review, your Company has disbursed loans totaling to Rs44362 lakh SMEs institutions and retail micro-borrowers as part of its normal course of business. Your Directors draw attention of the members to Note no.43 to the audited financial statements which sets out the break-up of the loan portfolio disclosures.

The investment made in other securities has been as part of the normal course of business and has been within the limits prescribed under Section 186 of the Companies Act, 2013.

During the year, the Board of Directors of the Company has under section 179(3)(f) of the Companies Act, 2013 has passed an enabling resolution for providing Corporate Guarantee for an amount of Rs 10 Crores (Rupees Ten Crores) on behalf of financial assistance availed by its Subsidiary Company, Prayas Financial Services Private Limited. Out of which, the Company has provided Corporate Guarantee for an amount of Rs 2 Crores (Rupees Two Crores) to InCred Financial Services Limited for an amount of Rs 5 Crores (Rupees Five Crores) to Vivriti Capital Private Limited.

15. Particulars of Contracts or Arrangements with Related Parties:

During the year ended 31st March 2023, all the transactions with related parties were carried out on an arm's length basis. The disclosures of transactions with the related party for the financial year, as per Accounting Standard – 18 Related Party Disclosure is given in Note no.37 to the Balance Sheet as on 31st March 2023. Pursuant to Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("the directions"), the Company has disclose a policy on Related Party Transactions on its website viz: https://www.ananyafinance.com/resources.

16. Auditor's Report:

Secretarial Audit and Secretarial Auditor's Report

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed **Kashyap R. Mehta & Associates, Company Secretaries** to undertake the Secretarial Audit of the Company. The Secretarial Audit report in the prescribed Form No MR-3 is annexed herewith. The explanations by the Board in the form of action taken on the points suggested by the Secretarial Auditor is also attached as separate annexure.

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

Statutory Auditors

The Company has obtained a written Certificate from Manubhai & Shah, LLP, Chartered Accountant, Ahmedabad (Firm Registration No. 106041W/W100136) to the effect that their appointment as Auditors of the Company for the Financial Years 2022-23 to 2026-27 (i.e. for a period of 5 years as per section 139(1) of Companies Act, 2013) and to hold the office for a term of five (5) consecutive years from the conclusion of this 13th Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company to be held in the year 2027, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

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

Internal Auditors

As per Section 138 of the Companies Act, 2013 read with Rule-13 of Companies (Accounts) Rules, 2014, and based on recommendation of the audit committee, the Board of Directors of the company has appointed Mr. Pradeep Arora, Chartered Accountant (Membership No: 500223) as the Head-Internal Audit. To support the Internal Audit function to internal audit team, the Company has appointed M/S. Alpesh Shah & Co., Chartered Accountants for providing consultant work to the support of Internal Audit Function for the Financial Year 2022-23.

Cost Auditors

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

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

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

Your company has entered into a Service Provider Agreement with Twinline Business Solutions Pvt. Ltd. to use their Loan Management System under a SaaS model. Your company also introduced a HR software system. The investments in technology will help the company strengthen its internal controls and improve its product and service offering.

During the year under review, the foreign exchange outflow was equivalent to Rs. 8.85 lakh.

18. DISCLOSURE OF ACCOUNTING TREATMENT:

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

19. RISK MANAGEMENT POLICY:

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

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

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attention of the members to Note no.40 to the audited financial statements which sets out the Financial Risk Management disclosures.

The Board of Directors have constituted a Risk Management Committee ("RMC") that reviews the risk management framework of the company on a half yearly basis. The committee comprises the following Directors:

1. Prof. Dr. Sidharth Sinha
2. Mr. Sanjay Gandhi
3. Ms. Anjali Choksi*

* Ms. Anjali Choksi has been appointed as a committee member in place of Mr. Arvind Agarwal who has resigned from the committee w.e.f. 1st March, 2023

During the Financial Year 2022-23, 2 (Two) meetings of the RMC of the company were held on the following dates:

Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	12th August, 2022	All the Members were present in the meeting.
2.	13th February, 2023	All the Members were present in the meeting.

20. Details of Directors:

SR. NO.	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT	RESIDENTIAL ADDRESS
1	*Ms. Anjali Choksi	08074336	Independent Director	18/05/2022	A-602, Indraprasth Kadamb, Opp. Pinnacle Business Park, Prahladnagar, Ahmedabad – 380015
2.	**Ms. Namrata Chindarkar	09685345	Independent Director	12/08/2022	House T-15, IIM-A Old Campus, IIM Ahmedabad, Vastrapur, Ahmedabad – 380015

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3.	Prof. Dr. Sidharth Sinha	01831966	Nominee Director	07/12/2012	C 191 DLF Park Place, Gurugram – 122009.
4.	Mr. Arvind Kumar Agarwal	07405470	Nominee Director	19/02/2016	Flat A1 1101 Elite Prominade Rai Layout, JP Nagar 7th Phase Bangalore 560078 KA IN.
5.	Mr. Sanjay Gandhi	02234298	Nominee Director	27/02/2018	2/7, Hamelia Street, Vatika City, Sector 49, Gurgaon, 122018, Haryana.
6.	Mr. Taejun Shin	08056236	Nominee Director	31/07/2018	5-10-49-1210, Yashio, Shinagawa, Tokyo, Japan-140003.
7.	Mr. Gaurav Gupta	08663203	Managing Director	01/02/2020	G-801, G-Block, Shilp Shaligram, Sarkari Vasahat Road, Opp. to Casa Vyoma, Gurukul, Ahmedabad 380052
8.	Ms. Tara Nair	03564073	Independent Director	18/01/2021	B 33, Century Towers, Bodakdev, Ahmedabad.
9.	Mr. Navin Kumar Maini***	00419921	Independent Director	17/01/2021	B-74, Defence Colony, New Delhi.

* Ms. Anjali Choksi has been appointed as Independent Director of the Company w.e.f. 18th May, 2022.

**Ms. Namrata Chindarkar has been appointed as Independent Director of the Company w.e.f. 12th August, 2022.

***Mr. Navin Kumar Maini Chairman & Independent Director of the Company has resigned w.e.f. 30th September, 2022.

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

For Inclusive Gro... Ananya ... Ltd.

For Inclusive Finance For Inclusive Growth Pvt. Ltd. Ahmedabad

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

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

The company does not accept any deposits from Public as prescribed under the RBI rules.

The following details of deposits, covered under Chapter V of the act:

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

23. Receipt of any commission by MD /WTD from a Company or for receipt of commission /remuneration from it Holding or subsidiary

The MD has not received any commission from the company or from its holding or subsidiary company.

24. Corporate Social Responsibility (CSR) & Social Performance Management (SPM) Committee:

As per Section 135 of Companies Act 2013, your company falls under the purview of CSR and has constituted the Corporate Social Responsibility (CSR) Committee consisting of the following Directors:

1. Ms. Tara Nair
2. Mr. Sanjay Gandhi
3. *Mr. Sidharth Sinha

Since, there was no CSR liability during the year under review as per section-135 read along with necessary rules made thereunder, the Company was not required to spent CSR amount. Hence, no CSR expenses were made during the year under review.

* Mr. Sidharth Sinha, Nominee Director of the Company has been appointed in the committee w.e.f. 18th May, 2022 in place of Ms. Jayshree Vyas, Non-Executive Director of the Company, who has resigned w.e.f. 29th March 2022.

During the Financial Year 2022-23, 1 (One) meetings of the CSR & SPM of the company was held on the following dates:

Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	12th August, 2022	All the Members were present in the meeting.

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25. Audit Committee ("AC")

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

1. Ms. Tara Nair
2. *Ms. Anjali Choksi
3. Mr. Sanjay Gandhi

* Ms. Anjali Choksi, Independent Director of the Company, has been appointed in the committee w.e.f 11th November, 2022 in place of Mr. Navin Maini, Chairman & Independent Director who has resigned from the Board w.e.f. 30th September, 2022.

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

Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	18th May, 2022	2 (Two) out of 3 (Three) Directors were present in the meeting.
2.	12th August, 2022	All the members were present in the meeting.
3.	11th November, 2022	2 (Two) out of 3 (Three) Directors were present in the meeting.
4.	14th February, 2023	All the members were present in the meeting.

26. Nomination & Remuneration Committee ("NRC")

The Company has in place the Nomination and Remuneration Committee consisting of Ms. Tara Nair, *Ms. Anjali Choksi and Mr. Sanjay Gandhi. Also, there is a Compensation Committee (HR Committee) constituted by the Board of Directors which includes Prof. Dr. Sidharth Sinha, **Ms. Namrata Chindarkar and Mr. Taejun Shin that reviews the HR performance and adherence to internal policies and guidelines and applicable external guidelines on a bi-annual basis.

* Ms. Anjali Choksi, Independent Director of the Company, has been appointed in the committee w.e.f 11th November, 2022 in place of Mr. Navin Maini, Chairman & Independent Director who has resigned from the Board w.e.f. 30th September, 2022.

** Ms. Namrata Chindarkar, Independent Director of the Company, has been appointed in the committee w.e.f. 11th November, 2022 in place of Mr. Navin Maini, Chairman & Independent Director who has resigned from the Board w.e.f. 30th September, 2022.

During the Financial Year 2022-23, 3 (Three) meetings of the Nomination & Remuneration Committee of the company were held on the following dates:

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Sr. No.	Date of Committee Meeting	No. of Members Present in the Meeting
1.	16th May, 2022	All the members were present in the meeting.
2.	30th June, 2022	All the members were present in the meeting.
3.	25th January, 2023	All the members were present in the meeting.

27. Senior Advisory Council

In order to provide guidance on matters that are of strategic importance to the company, a Senior Advisory Council has been constituted w.e.f. 04th October, 2022 with appointment of Mr. Navin Kumar Maini (ex. DMD, SIDBI) and Ms. Jayshree Vyas (MD, SEWA Bank) as advisors to the said committee for a period of 3 (Three) years.

The Senior Advisory Council shall meet at least once a quarter to discuss the matters that the Board of Directors wish to receive guidance on. The Board of Directors may also request for a meeting with the Senior Advisory Council outside of the 4 quarterly meetings to discuss any specific matter that is of strategic importance requiring a decision to be taken.

28. Disclosure on Establishment of a Vigil Mechanism

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

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

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (SHWS) Act, 2013, your company has a policy for Prevention of Sexual Harassment at the Workplace and the Board of Directors have unanimously adopted the same w.e.f. 17th June, 2016 which was further updated in 14th February, 2023. The Company has appointed Ms. Beena Thakar, Manager-Accounts, as Presiding Officer in the Internal Complaints Committee constituted under SHWW Act, 2013. During the year under review, no complaint was reported under the said policy framed as per Act.

30. Directors Responsibility Statement

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

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a) In the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit /loss of the Company for that period;
c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
d) The Directors have prepared the annual accounts on a going concern basis.
e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
f) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
g) During the period under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee/Board any instances of material fraud in the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013.

31. Compliance with Secretarial Standards

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

32. Compliance with Downstream Investment

Your Directors are pleased to inform that, Ananya has made share capital investment in Prayas Financial Services Private Limited (hereinafter referred to as Prayas), an NBFC- MFI based in Gandhinagar, Gujarat.The amount of investment is Rs.12 Crores (Rupees Twelve Crores only) by subscribing to 1,00,00,000 (One Crore and Five Lakhs) common Equity Shares of Prayas at a valuation of Rs.12 (Rupees Twelve only) per share which includes a premium of Rs.2 (Rupees Two only)/-per share. The investment has given Ananya a stake of49.6% in Prayas.

With respect to the downstream investment, Ananya has in place a system ensuring compliance with applicable provisions of Foreign Exchange Management Act, 1999 and rules made thereunder, and an annual certification to this effect from the Statutory Auditor of the Company.

33. Details of the Debenture Trustee:

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

IDBI Trusteeship Services Limited:

Asian Building, Ground Floor,

17, R. Kamani Marg, Ballard Estate,

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Ananya Finance For Inclusive Growth Pvt. Ltd. * Ahmedabad

Mumbai – 400 001.

Contact No.: (91) (22) 40807081

Catalyst Trusteeship Limited:

Windsor, 6th Floor, Office No. – 604,

C.S.T Road, Kalina, Santacruz (East),

Mumbai, Maharashtra – 400098

Contact No.: +91 22 4922 0555

Vardhman Trusteeship Private Limited:

Address: The Capital, 412A, Bandra Kurla Complex,

Bandra (East), Mumbai- 400051

Contact No.: +912242648335/ +912240140832

34. Social and Environmental Impact

During the year, your company increased its micro-borrower client base to nearly 100,000 clients. 95% of the clients are women and 60% of the loans were lent in the rural areas. All the clients belonged to low-income households with average daily income < Rs.1000.

35. Acknowledgement

The Directors express their sincere appreciation to the valued shareholders, bankers, clients and employees for their support.

By Order of the Board of Directors
For Ananya Finance for Inclusive Growth Private Limited

Date: 16th May 2023
Place: Ahmedabad

Ananya Finance For Inclusive Growth Pvt. Ltd. Ahmedabad

Mr. Gaurav Gupta
Managing Director
(DIN: 08663203)

Ms. Anjali Choksi
Director
(DIN: 08074336)

Ananya Finance For Inclusive Growth Pvt. Ltd. Ahmedabad

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1) Satya Micro Capital Limited - Entity over which parent has significant influence 2) Prayas Financial Services Private Limited Subsidiary company 3) Gojo & Company Inc. Parent Company 4) Gaurav Gupta- KMP 5) Pranav Desai - KMP 6) Divya Rathi - KMP 7) Lavina Parikh- KMP
b)	Nature of contracts/arrangements/transaction	1) Commission Expenses, Security Deposit Repaid/ Adjusted, Interest Expense on Security Deposit 2) Commission Expenses,

		Security Deposit Received, Security Deposit Repaid/ Adjusted Interest Expense on Security Deposit, LPF & Ins and Other Payable, Salary Reimbursement, Guarantee Income – 3) NCD subscription, Interest Expense on NCD 4) Remuneration-Key Managerial Personnel 5) Salary-Key Managerial Personnel 6) Salary-Key Managerial Personnel 7) Salary and Leave Encashment-Key Managerial Personnel
c)	Duration of the contracts/arrangements/transaction	1) 24 Months 2) 24 Months 3) 27 Months 4) 5 Years 5) Full Time Employment 6) Full Time Employment N.A. Resigned during the year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	16th May 2023
f)	Amount paid as advances, if any	NIL

By Order of the Board of Directors
For Ananya Finance for Inclusive Growth Private Limited

Date: 16th May 2023
Place: Ahmedabad

Mr. Gaurav Gupta
Managing Director
(DIN:08663203)

Ms. Anjali Choksi
Director
(DIN: 08074336)

Ananya Finance For Inclusive Growth Private Limited

Ahmedabad

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

KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

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FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ananya Finance For Inclusive Growth
Private Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ananya Finance For Inclusive Growth Private Limited,** [CIN: U65993GJ2009PTC056691] ('hereinafter called the Company') having Registered Office at 903, 9th Floor, Sakar- IX Besides Old RBI, Ashram road, Ahmedabad – 380 009. The 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.

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 **whether electronically or otherwise** 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 **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

(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 as the Equity shares of the Company are not listed during audit period

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(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to Structural Digital Database.

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable

(c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

(d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The Company has issued 225 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures having face value of Rs. 10,00,000/- each, aggregating upto Rs. 22.50 crores for cash, at par, on a private placement basis to UTI International Wealth Creator 4. The Company has also issued Non-Convertible Debentures during the year under review which are not listed, hence the disclosure of the same is shown separately in this Report.

(e) 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 – Not applicable;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable;

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable; and

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

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

(i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchange for its listed Debt securities.

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B.Com., LL.B., ACMA, FCS, ACIS (London)

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COMPANY SECRETARIES

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

1. *The Company has filed Form CHG-9 with Ministry of Corporate Affairs (MCA) dated 8th April, 2022 for creation of charge amounting to Rs. 15.00 crores in favor of Vivriti Samarth Bond Fund. The Company was required to pay differential stamp duty as applicable in the State of Gujarat since the Deed of Hypothecation was executed in the State of Tamil Nadu. The Company had paid the differential stamp duty of Rs. 7,50,000 as per the Gujarat Stamp Act, 1958. The said form was showing approved on MCA portal but however the Index of Charges is not updated and certificate is also not generated. This is due to migration of Forms from V2 Portal of MCA to V3 Portal of MCA.*

2. *The Company has filed Form CHG-9 with Ministry of Corporate Affairs (MCA) dated 8th April, 2022 for creation of charge amounting to Rs. 22.00 crores in favor of Promising Lenders Fund. The Company was required to pay differential stamp duty as applicable in the State of Gujarat since the Deed of Hypothecation was executed in the State of Tamil Nadu. The Company had paid the differential stamp duty of Rs. 8,00,000 as per the Gujarat Stamp Act, 1958. The said form was showing approved on MCA portal but however the Index of Charges is not updated and certificate is also not generated. This is due to migration of Forms from V2 Portal of MCA to V3 Portal of MCA.*

3. *The Company has filed Form CHG-9 with Ministry of Corporate Affairs (MCA) dated 13th July, 2022 for creation of charge amounting to Rs. 22.50 crores in favor of UTI International Wealth Creator 4 on 26th July, 2022. However, the said form is still not approved at MCA level due to migration of Forms from V2 Portal of MCA to V3 Portal of MCA.*

4. *Pursuant to requirement of SEBI/Stock Exchange, the Company has not shared the weblink as required under Regulation 62 of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

5. *The Company has given intimation to Stock Exchange under Regulation 50(1) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to fund raising by way of issue of Non-convertible securities, but the requirement of atleast 2 CLEAR working days prior intimation to the Stock Exchange is not complied with.*

6. *The Company is yet to adopt its drafted Related Party Transactions (RPT) policy as prescribed under applicable RBI Rules and guidelines for NBFC Companies.*

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We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors during the audit period under review, was duly made after complying with the necessary provisions of Companies Act, 2013 and the Rules made thereunder. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that the Company has issued:

- 220 Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures of Rs. having face value of Rs. 10,00,000/- each aggregating up to Rs. 22 crores to Promising Lenders Fund & 150 Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures having face value of Rs. 10,00,000/- each aggregating up to Rs. 15 crores to Vivriti Samarth Bond Fund on 6th April, 2022 during the reporting year after obtaining necessary approval of Shareholders; and
- 200 Rated, Unlisted, unsubordinated, Secured, Redeemable, transferable, taxable, Non-convertible Debentures, having face value of Rs. 10,00,000/- each aggregating up to Rs. 20 crores to Northern Arc India Impact Trust with Northern Arc India Impact Fund as its scheme & 1700 Senior, Secured, Rated, Unlisted, Redeemable, Taxable, Non-convertible Debentures having face value of Rs. 1,00,000/- each aggregating upto Rs. 17 crores to Vivriti Asset Management/ Vivriti Capital Private Limited on 9th March, 2023 during the reporting year after obtaining necessary approval of Shareholders.

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

1. Duly passed Special Resolution for issuance of Non-Convertible Debentures under Private Placement to Promising Lenders Fund.

2. Duly passed Special Resolution for issuance of Non-Convertible Debentures under Private Placement to Vivriti Samarth Bond Fund.

3. Duly passed Special Resolution for issuance of Non-Convertible Debentures under Private Placement to UTI International Wealth Creator 4.

4. Duly passed Ordinary Resolution for appointment of Ms. Anjali Nirav Choksi as Additional Director of the Company.

5. Duly passed Special Resolution for regularisation of Ms. Anjali Nirav Choksi as Independent Director on the Board of the Company.

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6. Duly passed Special Resolution for Approval of Business Plan of the Company.

7. Duly passed Special Resolution for regularisation of Ms. Namrata Chindarkar as Independent Director on the Board of the Company.

8. Duly passed Special Resolution for resignation of Mr. Navin Kumar Maini from the Directorship of the Company.

9. Duly passed Special Resolution for Alteration of Articles of Association of the Company.

10. Duly passed Special Resolution for renewal of term of Mr. Gaurav Gupta as Managing Director of the Company for a period of 5 years.

11. Duly passed Special Resolution for under section 180(1)(c) of the Companies Act, 2013 for approval of Borrowing powers upto Rs. 1,000 crores.

12. Duly passed Special Resolution for issuance of Non-Convertible Debentures under Private Placement to Northern Arc India Impact Trust with Northern Arc India Impact Fund.

13. Duly passed Special Resolution for issuance of Non-Convertible Debentures under Private Placement to Vivriti Asset Management/ Vivriti Capital Private Limited.

We further report that the Company is required to place before the next Board meeting, Register of Contract or arrangement in which Directors are interested for signature as per section 189(1). The register is to be placed after entering the particulars of all contracts or arrangements as per section 184(2) or section 188 applies.

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

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

KASHYAP R. MEHTA
PROPRIETOR
FCS-1821 : COP-2052 : PR-583/2019
UDIN: F001821E000316621

Date: 16th May, 2023
Place: Ahmedabad

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

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

KASHYAP R. MEHTA & ASSOCIATES
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Annexure - 1

To,
The Members,
Ananya Finance For Inclusive Growth,
Private Limited.

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

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

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

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

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

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

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

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

KASHYAP R. MEHTA & ASSOCIATES
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FCS No.: 1821
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COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FCS-1821 : COP-2052 : PR-583/2019
UDIN: F001821E000316621

Date: 16th May, 2023
Place: Ahmedabad

To,
The Board of Directors,
Ananya Finance for Inclusive Growth Private Limited

The Observations on the Secretarial Audit report for the financial year ended 31st March, 2023 and the action taken by the Company towards the same is listed below:

Sr. No.	Compliance Requirement	Observations	Action taken
1.	The Company is required to mention name of the First Directors of the Company in the Articles of Association as per the provisions of Companies Act, 2013 and rules made thereunder.	As per the provisions of Companies Act, 2013 and Rules made thereunder, the Company is required to mention name of the First Directors of the Company in the Articles of Association which has been duly complied with. The Company has also mentioned names of the Directors post execution of Share Purchase Agreement. It is advisable to remove this table from Articles of Association of the Company as the Company is required to alter its Article of Association upon every change in the Board of Directors of the Company. We are made to understand that the Company is in the process of amending its Articles of Association by passing Special Resolution in the General Meeting of the Company.	The Company has amended its Articles of Association by passing Special Resolution in its Extra-Ordinary General Meeting held on 11th November 2022 by removing the table mentioning the name of the Directors of the Company.
2.	The Index of Charges of the Company appearing with the MCA should be updated so as to obtain Certificate of Registration of Charge.	The Company has filed Form CHG-9 with Ministry of Corporate Affairs (MCA) dated 8th April, 2022 for creation of charge amounting to Rs. 15.00 crores in favor of Vivriti Samarth Bond Fund. The Company was required to pay differential stamp duty as applicable in the State of Gujarat since the Deed of Hypothecation was executed in the State of Tamil Nadu. The Company had paid the differential stamp duty of Rs. 7,50,000 as per the Gujarat Stamp Act, 1958. The said form was showing approved on MCA portal but however the Index of Charges is not updated and certificate is also not generated. This is due to migration of Forms from V2 Portal of MCA to V3 Portal of MCA	The matter with ROC/MCA is status quo. The Company has raised tickets for resolving the matter with ROC/MCA.

Ananya Finance For Inclusive Growth Private Limited Ahmedabad

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7.	The Company has to adopt its Related Party Transactions (RPT) policy as prescribed under applicable RBI Rules and guidelines for NBFC Companies.	The Company is yet to adopt its drafted Related Party Transactions (RPT) policy as prescribed under applicable RBI Rules and guidelines for NBFC Companies.	The Company has drafted the RPT Policy and the same has been approved by the Board in its 16th May 2023 Board Meeting.

For Ananya Finance for Inclusive Growth Private Limited,

Ananya Finance for Inclusive Growth Pvt. Ltd. ✱ Ahmedabad

Mr. Gaurav Gupta
Managing Director
DIN: 08663203

Ms. Anjali Choksi
Director
DIN: 08074336

Ananya Finance for Inclusive Growth Pvt. Ltd. ✱ Ahmedabad

Ananya Finance For Inclusive Growth Private Limited
903, 9th Floor, Sakar-9, B/s.Old RBI, Ashram Road, Ahmedabad - 380 009.
Ph.: +91 79 40403030,Email : admin@ananyafinance.com
CIN : U65993GJ2009PTC056691 • GSTIN No.: 24AAHCA8023D1Z4

INDEPENDENT AUDITOR'S REPORT

To The Members of Ananya Finance for Inclusive Growth Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Ananya Finance for Inclusive Growth Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone 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 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 matter described below to be the key audit matter to be communicated in our report.

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Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans as at Balance Sheet Date (Expected Credit Losses):** **(Refer Note 6 to the Standalone Financial Statements)** Ind AS 109 requires the company to provide for impairment of its loans designated at amortised cost using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the company's loan receivable. In the process, a significant degree of judgment has been applied by the management for: • staging of the Loan Receivable (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories) • grouping of borrowers based on homogeneity by using appropriate statistical techniques; • estimation of behavioural life; • determining macro-economic factors impacting credit quality of Loans Receivable; • estimation of losses for Loans Receivable with no/minimal historical defaults. Since the loan Receivable form a major portion of the Company's assets, and due to the significance of the judgements used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall company audit and hence a key audit matter.	**Principal audit procedures performed are:** • Read and assessed the company's accounting policies for impairment of loans and their compliance with Ind AS 109. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of macro-economic factors. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the company for loans receivable with inadequate historical defaults. • Tested for a sample of exposures, the appropriateness of determining Exposure at Default (EAD), calculation of Probability of Default (PD) and Loss Given Default (LGD) used in ECL calculation. • Tested assumptions used by the management in determining the overlay for macro-economic factors. • Assessed disclosures included in the Financial Statements in respect of expected credit losses.

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

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility 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:

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 Section 143(3) of the Act, based on our audit, we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other

Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial statements. (Refer Note 33).

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

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

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

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

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

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

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

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: May 16, 2023

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJWA9501

Annexure A to the Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

Place: Ahmedabad
Date: May 16, 2023

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJWA9501

Annexure B to the Independent Auditors' Report

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

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

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

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

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

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

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

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

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting on the quarterly returns or statements filed by the Company with such banks or financial institutions is not applicable.

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

b) The Investment made, guarantees provided, security given and terms and conditions of the grant of all above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

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

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

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks
544	Rs. 753.01 Lakhs	Rs. 4.69 Lakhs	Rs. 757.69 Lakhs	None

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

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

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

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

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

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

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

c) Details of statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023 are as under:

Nature of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
The Income Tax Act, 1961	Income Tax	ITAT	Asst Year 2011-12	379.97	Nil
			Asst Year 2012-13	58.25	Nil
			Asst Year 2013-14	134.49*	Nil
		CIT (A)	Asst Year 2016-17	58.36	58.36

*Rs.16.44 lakhs, additional interest adjusted by tax authorities while processing refunds of earlier years, have been added here and adjusted the original demand of Rs.118.05 lakhs, as the information pertaining to assessment year for which such Rs. 16.44 lakhs are adjusted, is not available with the company.

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

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

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

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

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

e) On an overall examination of the Standalone Financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries (the company does not have investment in associate and joint venture).

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries (the company does not have investment in associate and joint venture).

x. a) In our opinion, moneys raised by way of initial public offer/ further public offer (including debt instruments) during the year have been, prima facie, applied by the company [for the purposes for which they were raised or as per revised purposes with appropriate approvals].

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi. a) To the best of our knowledge, no fraud by the Company and on the Company has been noticed or reported during the year.

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

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

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

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

xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period April 2022 to December 2022 and the draft of the internal audit report issued after the balance sheet date covering the period from January 2023 to March 2023 for the period under audit.

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

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

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

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

xvii. The Company has incurred cash losses amounting to Rs. NIL Lakhs during the financial year covered by our audit and Rs. 122.37 Lakhs in the immediately preceding financial year.

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

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone 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. According to the information and explanations given to us, there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

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

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJWA9501

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Standalone Balance Sheet As At March 31,2023

(Amount Rs. in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A ASSETS			
[1] Financial Assets			
(a) Cash and cash equivalents	4	11,338.03	4,410.88
(b) Bank Balance other than (a) above	5	1,469.47	1,031.85
(c) Loans	6	34,899.67	31,010.97
(d) Investments	7	1,510.00	361.19
(e) Other Financial assets	8	276.67	344.32
Total Financial Assets		**49,493.84**	**37,159.21**
[2] Non-financial Assets			
(a) Current tax assets (Net)	10	714.38	895.27
(b) Deferred tax Assets (Net)	10	345.50	363.31
(c) Property, Plant and Equipment	11	50.17	68.47
(d) Intangible assets under development	12	32.68	32.68
(e) Other Intangible assets	12	0.23	0.61
(f) Right of Use Asset	13	123.63	141.51
(g) Other non-financial assets	9	36.49	5.76
Total Non Financial Assets		**1,303.08**	**1,507.61**
Total Financial and Non Financial Assets		**50,796.94**	**38,666.82**
LIABILITIES AND EQUITY			
LIABILITY			
[1] Financial Liabilities			
(a) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and	14	280.84	101.83
(b) Lease Obligation	15	153.82	161.61
(c) Debt Securities	19	12,086.24	3,617.19
(d) Borrowings (Other than Debt Securities)	19	26,066.36	22,304.45
(e) Other financial liabilities	16	2,314.19	2,956.88
Total Financial Liabilities		**40,901.45**	**29,141.96**
[2] Non-Financial Liabilities			
(a) Provisions	17	90.58	79.16
(b) Other non-financial liabilities	18	37.13	48.08
Total Non Financial Liabities		**127.71**	**127.23**
[3] EQUITY			
(a) Equity Share capital	20	6,602.92	6,602.92
(b) Other Equity	21	3,164.86	2,794.70
Total Equity		**9,767.78**	**9,397.62**
Total Liabilities and Equity		**50,796.94**	**38,666.82**

The accompanying notes form an integral part of the Financial Statements

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Standalone Statement of Profit and Loss for the year ended March 31,2023

(Amount Rs. in Lacs)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
	REVENUE FROM OPERATIONS			
(i)	Interest Income	22	6,209.68	3,937.10
(ii)	Fees and Commission Income	22	1.31	-
(ii)	Net gain on fair value changes	23	16.01	29.28
(I)	**Total Revenue from operations**		**6,227.00**	**3,966.38**
(II)	Other Income	25	118.25	42.37
(III)	**Total Income (I+II)**		**6,345.25**	**4,008.75**
	EXPENSES			
(i)	Finance Costs	26	4,013.81	2,474.19
(ii)	Fees and Commission Expenses	27	880.38	161.22
(iii)	Net loss on derecognition of financial instruments under amortised cost category	24	95.66	747.23
(iv)	Impairment / (Reversal of Impairment) on financial instruments	28	(43.39)	(414.62)
(v)	Employee Benefits Expenses	29	855.34	575.63
(vi)	Depreciation, amortization and impairment	11&12&13	43.25	41.40
(vii)	Other expenses	30	222.39	192.73
(IV)	**Total Expenses**		**6,067.44**	**3,777.78**
(V)	**Profit / (loss) before tax (III -IV)**		**277.81**	**230.97**
(VI)	Tax Expense:			
	(1) Current Tax	10	29.42	-
	(2) Adjustment of earlier year Tax	10	-	-
	(3) Deferred Tax	10	(38.99)	127.37
	(4) MAT Credit Utilization	10	53.04	-
	Total Tax Expense		**43.47**	**127.37**
(VII)	**Profit / (loss) for the year (V - VI)**		**234.34**	**103.60**
(VIII)	**Other Comprehensive Income**	10.1		
	(i) Items that will not be reclassified to profit or loss		13.51	(19.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.76)	5.10
	Subtotal (A)		**9.75**	**(14.51)**
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income / (loss)		**9.75**	**(14.51)**
(IX)	**Total Comprehensive Income / (loss) (VII+VIII)**		**244.09**	**89.09**
(X)	**Earnings / (Loss) per equity share**			
	Basic (Rs.)	31	0.35	0.16
	Diluted (Rs.)		0.35	0.16

The accompanying notes form an integral part of the Financial Statements

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

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

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

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Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Standalone Cash Flow Statement For the Year Ended March 31, 2023

(Amount Rs. in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Cash flow from operating activities		
Net Profit/(Loss) before tax	277.81	230.97
Adjustments For:		
Depreciation and amortisation	43.25	41.40
Gain on Sale of Property, Plant and Equipment	-	(0.11)
Impairment on financial instruments	(43.39)	(414.62)
Interest income on loans	(5,879.56)	(3,787.40)
Interest income received on loans	5,937.27	3,714.17
Net loss on derecognition of financial instruments under amortised cost	95.66	805.29
Interest income on Fixed Deposits	(329.91)	(149.51)
Interest on Unwinding of Security Deposit	(0.21)	(0.19)
Finance Cost	4,013.82	2,474.19
Finance Cost Paid	(4,027.85)	(2,559.20)
Net Gain on Fair Value changes	(16.01)	(29.28)
Provision for Employee benefit expenses	168.27	32.22
Operating cash flows before working capital changes	**239.15**	**357.93**
(Increase) / decrease in other assets	37.15	(205.48)
Increase in Trade Payables	179.01	54.40
Increase in other liabilities and provisions	(654.34)	89.28
Cash generated from operations	**(199.03)**	**296.11**
Income taxes paid	151.48	(131.62)
Cash generated from operating activities after tax paid	**(47.55)**	**164.49**
Loan Repayment / (Disbursement) (Net)	(3,998.70)	(6,267.68)
Net cash (used in)/generated from operating activities (A)	**(4,046.25)**	**(6,103.19)**
(B) Cash flows from investing activities		
Purchase of Property, Plant, Equipment	(6.72)	(19.11)
Purchase of Intangible Assets / Intangibles under development	-	(9.25)
Proceeds from Sale of Property, Plant and Equipment	-	0.17
Proceeds from Sale of Investments	50.00	-
Purchase of Equity Shares	(1,200.00)	(250.00)
Proceeds from purchase and sale of units of mutual funds (Net)	17.21	39.22
Interest received on Fixed Deposit and Other Investments	373.67	165.62
Bank deposit/Margin money placed	(1,380.42)	(71,701.52)
Bank deposit/Margin money released	899.06	71,784.59
Net cash (used in)/generated from investing activities (B)	**(1,247.21)**	**9.72**
(C) Cash flows from financing activities		
Proceeds from issue of Debt Securities	10,150.00	-
Repayment of Debt Securities	(1,702.07)	(179.12)
Proceeds from Other Borrowings	22,411.00	21,039.92
Repayment of Other Borrowings	(18,609.75)	(11,914.17)
Repayment of Lease Liability(including interest on lease liability)	(28.59)	(27.23)
Net cash generated from financing activities (C)	**12,220.59**	**8,919.40**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**6,927.14**	**2,825.93**
Cash and cash equivalents at the beginning of the Year	4,410.88	1,584.95
Cash and cash equivalents at the end of the Year	**11,338.03**	**4,410.88**

Cash Flow Statement has been prepared using Indirect Method Prescribed under IND AS 7.
The accompanying notes form an integral part of the Financial Statements

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Statement of Changes in Equity for the year ended March 31, 2023

A Equity Share Capital

(Amount Rs. in Lacs)

Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	No. of Shares	Rs.In Lakhs	No. of Shares	Rs.In Lakhs
Balance at the beginning of the reporting period	660,29,214.00	6,602.92	660,29,214.00	6,602.92
Changes during the year	-	-	-	-
Balance at the end of the reporting period	**660,29,214.00**	**6,602.92**	**660,29,214.00**	**6,602.92**

B Other Equity

(Amount Rs. in Lacs)

Particulars	Reserves and Surplus					
	Statutory Reserves*	Securities Premium	Retained Earnings	Stock options otstanding account	Equity Instruments through Other Comprehensive Income (net of tax)	Total
Balance as at 1 April 2021	**354.23**	**3106.09**	**(769.45)**	-	-	**2690.86**
Net Profit for the year		-	103.60	-	-	**103.60**
Transferred from Retained earnings to Statutory Reserves*	20.72	-	(20.72)	-	-	**0.00**
Remeasurement of the net defined benefit liability/asset(net of tax)		-	(3.41)	-	-	**(3.41)**
Movement during the year		-		**14.75**	(11.10)	**3.65**
Balance as at 31 March 2022	**374.95**	**3106.09**	**(689.97)**	**14.75**	**(11.10)**	**2794.70**
Net Profit for the year		-	234.34	-	-	234.34
Transferred from Retained earnings to Statutory Reserves*	46.87	-	(46.87)	-	-	-
Remeasurement of the net defined benefit liability/asset(net of tax)		-	9.75	-	-	9.75
Movement during the year		-	-	126.06	-	126.06
Balance as at 31 March 2023	**421.82**	**3106.09**	**(492.75)**	**140.81**	**(11.10)**	**3164.86**

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

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

For and on behalf of the Board of Directors of
Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

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Independent Director
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Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

1 Company overview

Ananya Finance for Inclusive Growth Private Limited (the 'Company') is a Private limited company domiciled in India and is incorporated under the provisions of the Companies Act. In Current year, the Company is regulated as a Systemically Important Non-Deposit Taking Non-Banking Finance Company registered with RBI. The company is registered with the Reserve Bank of India vide Reg.No. N-01-00493 dated December 23, 2009.

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

2 Basis of Preparation and Presentation of Financial Statements

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI guidelines/regulations to the extent applicable on an accrual basis.

2.2 Basis of measurement

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

2.3 Measurement of fair values

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

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

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

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

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

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

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

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

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

2.4 Functional and presentation currency

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Foreign Currency Transaction and Balances

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

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

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

2.5 Use of estimates and judgements

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

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

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

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

2.5.2 Effective Interest Rate (EIR) Method:

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

2.5.3 Impairment of Financial Assets:

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

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

2.5.4 Impairment of non-financial assets:

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

2.5.5 Employee benefits:

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

2.5.6 Expense Provisions & contingent liabilities:

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

2.5.7 Deferred tax :

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

2.5.8 Presentation of financial statements :

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3 Significant Accounting Policies

3.1 Revenue Recognition

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

Interest income

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, if any, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of Profit and Loss.

Dividend

Dividend income is recognised when the Company's right to receive the dividend is established, which is generally when the shareholders approve the dividend.

Assignment transactions

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

Gain or loss on derecognition of financial assets

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

Other Income

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3.2 Property, plant and equipment

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

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

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

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

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

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

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

Asset Class	Estimated Useful Life adopted by Company	Estimated Useful Life as per Schedule II
Furniture & Fixtures	3-4 Years	10 Years
Vehicles	4 Years	8-10 Years
Office Equipments	5 Years	5 Years
Computers	3 Years	3 Years

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

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

3.3 Intangible assets

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

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

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

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

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

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

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3.4 Financial Instruments

3.4.1 Recognition and Initial Measurement

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

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

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

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

3.4.2 Classification and Subsequent measurement

a Non-derivative financial instruments

i Financial assets carried at amortized cost

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

ii Financial assets at fair value through other comprehensive income

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

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

iii Financial assets at fair value through profit or loss

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

iv Financial liabilities

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

b Equity instruments

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

c Instruments entirely equity in nature

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

3.4.3 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

3.4.4 Off-setting

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

3.4.5 Modification

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

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

3.5 Income tax

Income tax expense comprises current tax and deferred tax.

3.5.1 Current Tax

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

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

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

3.5.2 Deferred Tax

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

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

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

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

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

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

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3.6 Impairment

3.6.1 Financial assets

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

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

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

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

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

Stage 1: 12-months ECL

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

Stage 2: Lifetime ECL – not credit impaired

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

Stage 3: Lifetime ECL – credit impaired

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

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

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

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

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

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

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

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

Presentation of ECL allowance for financial asset:

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

Write off

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

3.6.2 Non-financial assets

Tangible and intangible assets

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

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

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

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

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

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3.7 Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

All other borrowing costs are expensed in the year they occur.

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.8 Employee Benefits

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

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

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

3.9 Provisions

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

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

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

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3.10 Contingent Liability

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

3.11 Contingent Asset

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

3.12 Cash and cash equivalent

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

3.13 Earnings per share

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

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

3.14 Lease

As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise the Fixed payments, including in-substance fixed payments.
The lease liability is measured at amortised cost using the effective interest method. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets as separate line item in Non-current Assets and lease liabilities in Financial Lease obligation in the balance sheet

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

3.15 Cash Flow Statement

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

3.16 Segment Reporting

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

3.17 Share-based Payments

Cash-settled transactions:

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

Employee Stock Option Plan:

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

3.18 Securities issue expenses

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

3.19 Events after reporting date

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

3.20 Recent Accounting Pronouncement

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

Ind AS 1 – Presentation of Financial Statements

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

Ind AS 12 – Income Taxes

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

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

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

(Amount Rs. in Lacs)

Note	Particulars	As At March 31, 2023	As At March 31, 2022
4	**Cash and Cash Equivalents**		
4.1	Cash on hand	0.03	0.02
4.2	Balances with Banks;		
	In current accounts	1,764.11	2,764.67
	In bank deposits (with original maturity of three months or less)	9,573.89	1,646.19
		11,338.00	**4,410.86**
	Total	**11,338.03**	**4,410.88**
5	**Bank Balance other than (a) above**		
	Bank deposits		
	(with original maturity of more than three months)	1,469.47	1,031.85
	Total	**1,469.47**	**1,031.85**

Note : Bank deposits

Includes the current Year Rs.1394.56 Lakh (As at 31st March 2022 :Rs. 1017.14 /- lakh) held as margin money against loans availed by the Company.

Note	Particulars	As At March 31, 2023	As At March 31, 2022
6	**Loans**		
	A) Loans (at amortised cost):		
	i) Term loans	35,507.67	31,663.03
	ii) Others - Loan to Employees	1.34	0.67
	Total (Gross) - A	**35,509.01**	**31,663.70**
	Less : Impairment loss allowance	609.34	652.74
	Total (Net) - A	**34,899.67**	**31,010.97**
	B) i) Secured by Books Debts (Refer note 6.1)	7,031.45	5,888.44
	ii) Covered by bank / Government guarantees		
	iii) Unsecured	28,477.56	25,775.26
	Total (Gross) - B	**35,509.01**	**31,663.70**
	Less : Impairment loss allowance	609.34	652.74
	Total (Net) - B	**34,899.67**	**31,010.97**
	C) i) Loans in India		
	a) Public Sector	-	-
	b) Others	35,509.01	31,663.70
	Total (Gross) - C	**35,509.01**	**31,663.70**
	Less : Impairment loss allowance	609.34	652.74
	Total (Net) - C (i)	**34,899.67**	**31,010.97**
	ii) Loans outside India	-	-
	Less : Impairment loss allowance	-	-
	Total (Net) - C (ii)	-	-
	Total (Net) - C (i+ii)	**34,899.67**	**31,010.97**

Note 6.1 As per the terms of the contract with borrowers, the Company has first and exclusive charge on the book debts of the borrower, equitable mortgage of property , hypothecation of assets, personal guarantee , corporate guarantee, security deposit etc.

Note 6.2 There is no Loan Asset measured at FVTOCI or FVTPL or designated at FVTPL.

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(Amount Rs. in Lacs)

Note	Particulars	As At March 31, 2023	As At March 31, 2022
7	**Investments**		
	At Cost		
	Equity Shares of Subsidiary Company	1,260.00	-
	Sub Total (A)	**1,260.00**	**-**
	At Amortised Cost		
	Preference Shares (Unquoted)	70.19	70.19
	Sub Total (B)	**70.19**	**70.19**
	Fair value Through profit or loss		
	Mutual funds (Quoted)	-	51.19
	Sub Total (C)	**-**	**51.19**
	Fair value Through OCI		
	Equity Shares (Unquoted)	250.00	310.00
	Sub Total (D)	**250.00**	**310.00**
	Gross Total (A)	**1,580.19**	**431.38**
	Less:- Allowance for Impairment Loss		-
	Preference Shares (Unquoted)	70.19	70.19
	Net Investments (A)	**1,510.00**	**361.19**
	(i) Investments outside India	-	-
	(ii) Investments in India	1,580.19	431.38
	Gross Total (B)	**1,580.19**	**431.38**
	Less:- Allowance for Impairment Loss		-
	Preference Shares (Unquoted)	70.19	70.19
	Net Investments (B)	**1,510.00**	**361.19**

7.1 During the year, the Company has acquired 1,00,00,000 equity shares in Prayas Financial Services Private Limited (PFSPL) for an aggregate consideration of Rs. 1200 Lakhs after obtaining requisite approvals. The company now holds 1,05,00,000 equity shares representing legal and benficial ownership of 55.47% of the total paid up share capital of PFSPL. With this, the Company has become the holding company of PFSPL in terms of Section 2(87) of the Companies Act, 2013.

7.2 **Breakup of Investments:**

Particulars	March 31, 2023 No. / Units	March 31, 2023 Amount	March 31, 2022 No. / Units	March 31, 2022 Amount
Mutual Funds				
Union Corporate Bond Fund Regular Plan- Growth	-	-	4,09,249.00	51.19
Preference Shares				
Optionally convertible cumulative redeemable preference shares of Rs.10 each of Asmitha Microfin	7,01,930.00	70.19	7,01,930.00	70.19
Equity Shares				
Equity shares of Rs. 10 each of Prayas Financial service Private Limited	105,00,000.00	1,260.00	5,00,000.00	60.00
Equity shares of Rs. 10 each of Uttrayan Financial service Private Limited	2,94,117.00	250.00	2,94,117.00	250.00
Sub Total (A)		**1,580.19**		**431.38**
Less: Allowance for Impairment Loss (B)		(70.19)		(70.19)
Total (A - B)		**1,510.00**		**361.19**

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

(Amount Rs. in Lacs)

Note	Particulars	As At	
		March 31, 2023	March 31, 2022
8	**Other Financial Assets**		
	Unsecured and Considered Good		
	Rental Deposits	2.40	1.89
	Fixed Deposit with Financial Institution*	-	155.79
	Other Receivable	274.27	186.64
	Total	**276.67**	**344.32**

[Note:*Represents deposits for the current Year Rs.NIL (As at 31st March 2022 :Rs. 155.79 lakh) held as margin money against loans availed by the Company.]

Note	Particulars	As At	
9	**Other Non Financial Assets**		
	Prepaid Expenses	36.40	5.74
	Staff Advances	0.09	0.02
	Total	**36.49**	**5.76**

Note	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
10	**Significant component of income tax expenses for the year ended March 31,2023 and March 31,2022 are as under:**		
	Current income tax	29.42	-
	MAT Credit Utilisation	53.04	-
	Deferred tax due to origination of temporary difference	(38.99)	127.37
	Adjustments of earlier year tax	-	-
	Total	**43.47**	**127.37**
10.1	**Amounts recognised in other comprehensive income(OCI)**		
	(A) Remeasurements of defined benefit liability/ (asset)		
	Before Tax	13.51	(4.61)
	Tax Expense	(3.76)	1.20
	Net of Tax	**9.75**	**(3.41)**
	(B) Provision on Equity Investment (FVOCI)		
	Before Tax	-	(15.00)
	Tax Expense	-	3.90
	Net of Tax	**-**	**(11.10)**
	Total(A+B)	**9.75**	**(14.51)**
10.2	**The details of income tax assets and liabilities and Deferred tax liabilities/asset :**		
	Advance Income Tax	1,227.80	1,379.28
	Income Tax Provisions	(513.42)	(484.00)
	Tax Recoverable (Net)	**714.38**	**895.27**
	Deferred Tax (Liabilities) / Assets (Net)	296.90	261.67
	Tax Credit Entitlement under MAT	48.60	101.64
	Total	**345.50**	**363.31**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. in Lacs)

Note	Particulars	As at March 31, 2022	(Charge)/ Credit to profit and loss	(Charge)/ Credit to OCI	MAT credit utilisation	As at March 31, 2023
10.3	**Deferred Tax Assets / (Liabilities)**					
	Tax effect of items constituting deferred tax assets					
	Application of EIR on financial assets	44.69	25.99	-	-	70.68
	Provision for employee benefits	20.58	8.38	(3.76)		25.20
	Allowance for ECL	169.71	(0.19)			169.52
	MAT credit entitlement	101.64	-	-	(53.04)	48.60
	Property, plant and equipment / Intangible assets	4.86	2.94	-	-	7.80
	Unabsorbed depreciation	-				-
	Others	21.83	1.87	-		23.70
		363.31	**38.99**	**(3.76)**	**(53.04)**	**345.50**
	Tax effect of items constituting deferred tax liabilities	-	-	-	-	-
	Net Deferred Tax Assets	**363.31**	**38.99**	**(3.76)**	**(53.04)**	**345.50**

Particulars	As at March 31, 2021	(Charge)/ credit to profit and loss	(Charge)/ Credit to OCI	MAT credit utilisation	As at March 31, 2022
Deferred Tax Assets / (Liabilities)					
Tax effect of items constituting deferred tax assets					
Application of EIR on financial assets	32.66	12.03	-	-	44.69
Provision for employee benefits	22.63	(3.25)	1.20	-	20.58
Allowance for ECL	296.94	(127.23)		-	169.71
MAT credit entitlement	101.64			-	101.64
Property, plant and equipment / Intangible assets	3.5	1.36	-	-	4.86
Unabsorbed depreciation	-	-	-	-	-
Others	28.21	(10.28)	3.90	-	21.83
	485.58	**(127.37)**	**5.10**	-	**363.31**
Tax effect of items constituting deferred tax liabilities	-	-	-	-	-
Net Deferred Tax Assets	**485.58**	**(127.37)**	**5.10**	**-**	**363.31**

Note	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
10.4	**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:**		
	Accounting Profit Before tax	277.81	230.97
	Normal / MAT tax rate	27.82%	26.00%
	Tax liability on accounting profit	**77.29**	**60.05**
	Tax Effect of Non deductible Expenses	36.36	(122.74)
	Tax Effect of Deductible Expenses	(9.29)	(9.08)
	Carried forward losses	(21.90)	71.76
	Deferred tax on temporary differences	(38.99)	(127.38)
	Adjustment of earlier year tax	-	-
	Total income tax expense	**43.47**	**(127.38)**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

11 Property Plant and Equipments

(Amount Rs. in Lacs)

Particulars	Gross block				Depreciation				Net block	
	As at 1st April, 2022	Additions	Disposals	As at March 31, 2023	As at 1st April, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at 31st March, 2022
Furniture and fixtures	32.09	0.65	-	32.74	13.61	7.95	-	21.56	11.18	18.48
Office equipment	22.40	1.41	-	23.81	11.58	4.18	-	15.76	8.05	10.83
Computer	29.87	4.64	-	34.51	17.23	7.72	-	24.95	9.56	12.65
Electrical Installations	3.41	-	-	3.41	1.41	0.85	-	2.27	1.14	1.99
Leasehold Improvements	18.39	-	-	18.39	3.04	1.84	-	4.88	13.51	15.35
Vehicles	9.79	-	-	9.79	0.62	2.45	-	3.07	6.72	9.17
Total	115.95	6.70	-	122.65	47.49	24.99	-	72.49	50.17	68.47

Particulars	Gross block				Depreciation				Net block	
	As at 1st April, 2021	Additions	Disposals	As at 31st March, 2022	As at 1st April, 2021	For the year	Disposals	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Furniture and fixtures	31.54	0.55	-	32.09	5.77	7.84	-	13.61	18.48	25.77
Office equipment	21.86	0.54	-	22.40	7.20	4.38	-	11.58	10.83	14.67
Computer	22.07	8.23	0.42	29.87	10.34	7.24	0.36	17.23	12.65	11.72
Electrical Installations	3.41	-	-	3.41	0.56	0.85	-	1.41	1.99	2.84
Leasehold Improvements	18.39	-	-	18.39	1.20	1.84	-	3.04	15.35	17.18
Vehicles	-	9.79	-	9.79	-	0.61	-	0.62	9.17	-
Total	97.27	19.11	0.42	115.95	25.07	22.76	0.36	47.49	68.47	72.18

12 Other Intangible Assets

Particulars	Gross block				Depreciation				Net block	
	As at 1st April,2022	Additions	Disposals	As at March 31, 2023	As at 1st April,2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at 31st March, 2022
Software	8.50	-	-	8.50	7.89	0.38	-	8.27	0.23	0.61
Total	8.50	-	-	8.50	7.89	0.38	-	8.27	0.23	0.61

Particulars	Gross block				Depreciation				Net block	
	As at 1st April, 2021	Additions	Disposals	As at 31st March, 2022	As at 1st April, 2021	For the year	Disposals	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Software	7.93	0.56	-	8.50	7.12	0.76	-	7.89	0.61	0.81
Total	7.93	0.56	-	8.50	7.12	0.76	-	7.89	0.61	0.81

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

12.1 Intangible Assets Under Development

(Amount Rs. in Lacs)

Particulars	As At	
	March 31, 2023	March 31, 2022
Intangible Assets Under Development	32.68	32.68
Total	32.68	32.68

12.1.1 Aging of Intengible asset under development

(Amount Rs. in Lacs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress	-	8.68	8.18	15.82	32.68
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
Projects in progress	8.68	8.18	8.46	7.36	32.68
Projects temporarily suspended	-	-	-	-	-

12.1.2 Intangible assets under development whose completion is overdue to its original plan :

As At March 31, 2023

(Amount Rs. in Lacs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	32.68	-	-	-

As at 31st March, 2022

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	32.68	-	-	-

13 Right of use assets

(Amount Rs. in Lacs)

Particulars	Buildings
As at 31st March, 2021	159.38
Addition during the year	-
Amortisation for the Year	(17.87)
As at 31st March, 2022	141.51
Addition during the year	-
Amortisation for the Year	(17.87)
As at 31st March, 2023	123.63

MANUBHAI & SHAH LLP ✤ CHARTERED ACCOUNTANTS ✤

(Amount Rs. in Lacs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022
14	**Trade Payables**		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	280.84	101.83
	Total	280.84	101.83

14.1 Trade Payables ageing schedule

As at March 31, 2023 (Amount Rs. in Lacs)

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	280.84	-	-	-	280.84
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**280.84**	-	-	-	**280.84**
Unbilled	-	-	-	-	-
Not Due	-	-	-	-	-
Grand Total	**280.84**	-	-	-	**280.84**

As at March 31, 2022 (Amount Rs. in Lacs)

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	100.65	0.78	-	0.40	101.83
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	**100.65**	**0.78**	-	**0.40**	**101.83**
Unbilled	-	-	-	-	-
Not Due	-	-	-	-	-
Grand Total	**100.65**	**0.78**	-	**0.40**	**101.83**

14.2 Disclosure in respect of Micro and Small Enterprises :

A	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
B	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
C	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
D	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
E	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. in Lacs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022
15	**Lease Obligation**		
	Lease liabilities	153.82	161.61
	Total	153.82	161.61
16	**Other Financial Liabilities**		
	(a) Interest accrued but not due on borrowings	320.21	196.23
	(b) Security Deposits (refer note 16.1)	1,993.72	2,760.65
	(c) Employee's Dues Payable	0.26	-
	Total	2,314.19	2,956.88

16.1 The Company accept security deposits up to 10 percent of the loan amount for the full tenure of the loan against the loan disbursed under wholesale finance and under BC/Colending Partnership.

Note no.	Particulars	March 31, 2023	March 31, 2022
17	**Provisions**		
	Provision for employee benefits		
	(i) Compensated absences	77.31	54.99
	(ii) Performance linked incentive	8.49	8.49
	(iii) Gratuity (funded)	4.78	15.68
	Total	90.58	79.16
18	**Other Non-financial liabilities**		
	(a) Advance from customers	4.51	1.14
	(b) Statutory Remittances	32.55	45.74
	(c) Other Liability	0.07	1.20
	Total	37.13	48.08
19	**Debt Securities**		
	Non-Convertible Debentures (At Amortised Cost)	12,150.00	3,625.00
	Less: Unamortised Debenture Issue Expense	(63.76)	(7.81)
	Total (A)	12,086.24	3,617.19
	Debt Securities in India	12,086.24	3,617.19
	Debt Securities outside India	-	-
	Total (B)	12,086.24	3,617.19

Non Convertible Debenture - instrument wise details

Name of the Debenture Holder	As at 31st March 2023	As at 31st March 2022	Residual Maturity	Rate of Interest
UTI International Wealth Creator	2,250.00	1,125.00	1-3 Years	12.29%
Union Bank of India	2,500.00	2,500.00	Less Than 12 Months	11.00%
Gojo & Company Inc.	2,200.00	-	1-3 Years	11.75%
Northern Arc Capital Limited	2,000.00	-	1-3 Years	14.50%
Promising Lenders Fund	2,200.00	-	1-3 Years	13.80%
Vivrithi Samarth Bond Fund	1,000.00	-	1-3 Years	13.80%
Total (A)	12,150.00	3,625.00		
Unamortised Transaction Costs(B)	(63.76)	(7.81)		
Total (A)+(B)	12,086.24	3,617.19		

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

(Amount Rs. in Lacs)

Note no.	Particulars	As At March 31, 2023	As At March 31, 2022
19	**Borrowings (Other than Debt Securities)**		
	(a)Term loans (Secured)		
	(i)from banks (At Amortized Cost)	5,525.11	3,542.09
	(ii)from other parties (At Amortized Cost)	17,861.32	16,694.22
	Less: Unamortised transaction costs_Borrowings	(188.10)	(107.28)
	Total	**23,198.33**	**20,129.02**
	(b) Borrowing under Securitization	2,871.57	2,174.85
	Less: Unamortised transaction costs_Borrowings	(4.13)	-
	Total	**2,867.44**	**2,174.85**
	(C)Loans repayable on demand		
	(i)from banks (At Amortized Cost)_on demand	0.59	0.58
	(i)from other parties (At Amortized Cost)_on demand	-	-
	Total (A)	**26,066.36**	**22,304.45**
	Borrowings in India	26,066.36	22,304.45
	Borrowings outside India	-	-
	Total (B)	**26,066.36**	**22,304.45**

Terms and Conditions of Borrowings

Name of the lender	As At March 31, 2023	As At March 31, 2022	Residual Maturity	Rate of Interest
Secured term loans from banks (Refer Note 19.1)				
State Bank of India	2,820.00	-	1-3 Years	11.90%
Union Bank of India	-	432.66	Less Than 12 Months	9.70% - 10%
Bandhan Bank Ltd	1,189.96	1,000.00	1-3 Years	12.50%
IDFC First Bank Ltd	1,515.15	1,609.43	1-3 Years	12.5% - 12.90%
National Bank for Agriculture and Rural Development	-	500.00	-	8.80%
Total (A)	**5,525.11**	**3,542.09**		
Secured loan from others (Refer Note 19.1)				
Nabkisan Finance Ltd	1,341.62	773.61	1-3 Years	11.5% - 14.00%
Nabard Financial Services Limited	-	709.02	-	13.50% - 13.75%
Micro Units Development & Refinance Agency Limited	-	189.00	-	11.50%
Vivriti Capital Private Limited	3,483.33	2,883.33	1-3 Years	14.00% - 14.90%
Eclear Leasing & Finance Pvt Ltd	298.82	1,287.24	Less Than 12 Months	14.50%
Caspian Impact Inv Pvt Ltd	-	458.33	-	
MAS Finance Services Ltd	3,383.33	2,041.67	1-3 Years	13.00% - 13.50%
Western Capital Advisors Pvt ltd	-	320.83	-	14.00%
Nabsamruddhi Finance Limited	1,022.04	1,660.04	1-3 Years	12.50%
Maanveeya Development & Finance Pvt.ltd.	3,375.00	1,354.28	More Than 3 Years	13.10% - 16.50%
Samunnati	248.50	600.00	Less Than 12 Months	14.00%
Northern Arc Capital Limited	284.33	1,312.83	Less Than 12 Months	14.80% - 15.20%
Incred Finance	1,139.47	1,389.03	1-3 Years	13.75% - 14.00%
MAS Financial Service Limited (PTC-1)	-	468.39	-	12.00%
MAS Financial Service Limited (PTC-2)	-	1,706.46	-	12.00%
MAS Financial Service Limited (PTC-3)	230.15	-	Less Than 12 Months	12.50%
MAS Financial Service Limited (PTC-4)	332.46	-	Less Than 12 Months	12.35%
MAS Financial Service Limited (PTC-5)	1,072.51	-	Less Than 12 Months	12.35%
MAS Financial Service Limited (PTC-6)	1,236.48	-	1-3 Years	12.45%
Nabfins	291.12	-	1-3 Years	13.75%
Oxyzo Financial Services Pvt. ltd	1,793.75	-	1-3 Years	13.80% - 13.90%
Manappuram Finance Ltd.	1,200.00	-	1-3 Years	13.50%
SIDBI	-	1,715.00		
Total (B)	**20,732.92**	**18,869.07**		
Unamortised Transaction Costs (C)	**(192.24)**	**(107.28)**		
Total (A + B + C)	26,065.78	22,303.88		

Notes:

Note 19.1 Secured loans are Secured by way of Fixed deposit, Units of Mutual Fund and exclusive charge created against book debt.

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

20 Equity Share capital

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
Class A : 13,50,00,000 (As at 31st March 2022 :13,50,00,000) Equity Shares of Rs. 10 each.	13,500.00	13,500.00
Class B : 1,00,00,000 (As at 31st March 2022 : 1,00,00,000) Equity Shares of Rs. 10 each	1,000.00	1,000.00
5,50,00,000 (As at 31st March 2022 : 5,50,00,000) Preference Shares of Rs. 10 each	5,500.00	5,500.00
Total	**20,000.00**	**20,000.00**
Issued, subscribed and paid-up:		
6,60,29,214 (As at March 31, 2022: 6,60,29,214) Equity Shares of Rs. 10 each Class A, fully Paid-up	6,602.92	6,602.92
Total	6,602.92	6,602.92

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

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Equity Shares				
At the Commencement of the year	660,29,214	6,602.92	660,29,214	6,602.92
Movement During the year	-	-	-	-
Total Equity Shares at the end of the year	**660,29,214**	**6,602.92**	**660,29,214**	**6,602.92**

20.2 **Rights, Preferences and restrictions attached to Equity Shares**

1. The Company has two class of Equity Shares having a par value of Rs. 10 per Equity Share. All Equity Shares rank equally with regard to dividends and share in the Company's residual assets. **Class A** Equity Shares have all rights and privileges available to an ordinary Equity Shareholder. **Class B** Equity Shares entitle its holders, over and above all rights and privileges available to an ordinary Equity Shareholder, also to a special right with respect to the Bonus Equity Shares allotted by the Company from time to time.

2. The Equity Shares are entitled to receive dividend as declared from time to time subject to payment of dividend to Preference Shareholders.

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

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number ofShares	% of holding	Number ofShares	% of holding
Class A				
Gojo & Company Inc.	464,63,079	70.37%	464,63,079	70.37%
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	36,91,570	5.59%	36,91,570	5.59%
Stichting Capital 4 Development	157,81,701	23.90%	157,81,701	23.90%
Total	659,36,350	99.86%	659,36,350	99.86%

20.4 **Shares held by promoters:**

As at March 31, 2023

Promoter name	No. of Shares	% of total shares	% change during the year
Biswaroop Das	910	0.001%	0.00%
Jayshree Vyas	910	0.001%	0.00%
Indian Foundation for Inclusive Growth	36,91,570	5.59%	0.00%
Gojo & Company Inc.	464,63,079	70.37%	0.00%

As at March 31, 2022

Promoter name	No. of Shares	% of total shares	% change during the year
Biswaroop Das**	910	0.001%	0%
Jayshree Vyas	910	0.001%	0%
Indian Foundation for Inclusive Growth	36,91,570	5.590%	0%
Gojo & Company Inc.	464,63,079	70.37%	0%

** The shares have been transmitted to Mr. Biswaroop Das vide Board Resolution dated 25th June 2020

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

20.5 Aggregate number of Shares issued other than cash, during the period of 5 years immediately preceding the reporting date

Particulars	Fully paid up Equity Shares issued as bonus Shares.
Aggregate No. of Share as at31st March 2022	144,62,605
Aggregate No. of Share as at31st March 2021	144,62,605
Aggregate No. of Share as at31st March 2020	144,62,605
Aggregate No. of Share as at31st March 2019	144,62,605
Aggregate No. of Share as at31st March 2018	117,31,299

Note:-On 18th December 2018, the Company issued 27,31,306 bonus Shares to Class B Equity Shareholders in the ratio of 1.5 Shares for every 1 Share held by the Shareholders.

21 Other Equity

Particulars	As At March 31, 2023	As At March 31, 2022
Statutory Reserves		
Opening Balance	374.95	354.23
Transferred from Retained earnings to Statutory Reserves	46.87	20.72
Closing Balance	421.82	374.95
Securities Premium		
Opening Balance	3,106.09	3,106.09
Net Profit for the year		
Closing Balance	3,106.09	3,106.09
Retained Earnings		
Opening Balance	(689.98)	(769.45)
Net Profit for the year	234.34	103.60
Transferred from Retained earnings to Statutory Reserves	(46.87)	(20.72)
Remeasurement of the net defined benefit liability/asset(net of tax)	9.75	(3.41)
Closing Balance	(492.76)	(689.98)
Stock options otstanding account		
Opening Balance	14.75	-
Movement during the year	126.06	14.75
Closing Balance	140.81	14.75
Equity Instruments through Other Comprehensive Income (net of tax)		
Opening Balance	(11.10)	-
Movement during the year	-	(11.10)
Closing Balance	(11.10)	(11.10)
Total	3,164.86	2,794.70

Description of the nature and purpose of Other Equity :

a Statutory reserve

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

b Securities premium

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

c Retained earnings

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

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Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

(Amount Rs. in Lacs)

Note no.	Particulars	For the Year Ended March 31, 2023	March 31, 2022
22	**Interest Income**		
	On Financial Assets measured at Amortized Cost		
	Interest on Loans	5,879.56	3,787.40
	Interest on deposits with Banks	329.91	149.51
	Interest on Unwinding of Security Deposit	0.21	0.19
	Total	**6,209.68**	**3,937.10**
22.1	**Fees & Commission Income**		
	Guarantee Fees	1.31	-
	Total	**1.31**	-
23	**Net gain on fair value changes**		
	Net Gain on financial instruments at fair value through profit or loss	-	
	On Trading Portfolio		
	- Investments	16.01	29.28
		16.01	**29.28**
	Fair Value Changes:		
	(i) Realised	17.21	39.22
	(ii) Unrealised	(1.19)	(9.93)
	Total	**16.02**	**29.28**
24	**Net Gain / (Loss) on derecognition of financial instruments under amortised cost category**		
	On Financial Assets measured at Amortized Cost		
	Bad debts written off (net)	(95.66)	(747.23)
	Total	**(95.66)**	**(747.23)**
25	**Other Income**		
	Interest on Income Tax Refund	25.28	-
	Miscellaneous Income	26.18	42.25
	Gain on Sale of property, plant and equipment	-	0.11
	Reimbursement of deployment cost	66.79	-
	Total	**118.25**	**42.36**
26	**Finance Costs**		
	On Financial Liabilities measured at Amortised Cost		
	Interest on borrowings other than debt securities	2,591.72	1,891.01
	Interest on debt securities	1,236.09	435.43
	Interest on Other Financial Liabilities (Security Deposit)	154.34	125.88
	Interest expense on Lease Liabilities	20.80	21.66
	Other borrowing cost	10.86	0.21
	Total	**4,013.81**	**2,474.19**

Note:- There is no financial liability measured at FVTPL.

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Note no.	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
27	**Fees and Commission Expense**		
	Service Fees	880.38	161.22
	Total	**880.38**	**161.22**
28	**Impairment on financial instruments/(Reversal of Impairment)**		
	Loans (At Amortized Cost)	(43.39)	(414.62)
	Total	**(43.39)**	**(414.62)**
29	**Employee Benefits Expenses**		
	Salaries and wages	629.55	497.72
	Contribution to provident and other funds	43.22	37.38
	Contribution to Gratuity Fund	17.04	10.72
	Share based payments to employees	126.03	14.30
	Compensated Absences	25.20	7.19
	Staff welfare expenses	14.30	8.32
	Total	**855.34**	**575.63**
30	**Other expenses**		
	Rent, taxes and energy costs	16.83	17.18
	Repairs and maintenance	3.40	6.52
	Communication Costs	7.52	5.98
	Printing and stationery	0.84	0.60
	Advertisement and publicity	6.75	2.95
	Director's fees, allowances and expenses	10.73	11.33
	Auditor's fees and expenses	19.94	18.37
	Legal and Professional charges	52.81	67.14
	Insurance	4.09	2.36
	Software Expense	26.80	10.00
	Office Expenses	10.20	8.48
	Travelling Expenses	46.92	29.11
	Miscellaneous Expense	15.56	12.71
	Total	**222.39**	**192.73**

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

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net profit/(loss) for the year for basic EPS	234.34	103.60
Net profit/(loss) for the year for diluted EPS	360.37	118.35
Weighted average no. of shares (In nos.) for basic EPS	660.29	660.29
Additional shares granted under ESOP scheme (In nos.)	60.21	56.42
Weighted average no of shares for diluted EPS	720.50	716.71
Face value of equity shares	10.00	10.00
Earning Per Share (Basic)	**0.35**	**0.16**
Earning Per Share (Diluted)	**0.35**	**0.16**

32 **CSR Expenses**

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
a) Gross Amount required to be spent by the Company during the year	-	-
b) Previous Year's unspent amount	-	-
c) Total Amount to be spent	-	-
d) Amount of Expenditure incurred	-	-
i) Acquisition of any asset	-	-
ii) Others	-	-
iii) Provision made for the CSR Expenditure	-	-
e) Paid (including transferred to CSR Fund) (Refer Note Below)	-	-
f) Shortfall	-	-
g) Unspent amount pursuant to ongoing project	-	-
h) Subsequently Transferred to Escrow Account	-	-
Total	-	-

32 **Contingent liability**

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledge as debt - Income Tax (Refer Note 2 below)	881.66	879.32
Guarntee issued by the company on behalf of subsidiary company (Refer Note 1 below)	700.00	-

Note 1 : Guarantee

The company has provided corporate guarantee to various funders in respect of borrowings availed by subsidiary company during Financial Year 2022-23

Note 2 : Income Tax

The company had claimed depreciation on Goodwill as per the provisions of Income-tax Act, 1961 (Act) during financial years 2011-2012 to 2020-2021 in the Income Tax Returns. The Income-tax authorities had disallowed Company's claim and had raised income-tax demand of Rs. 881.66 Lacs which was adjusted out of refunds receivable by the Company. The Company had disputed the demand by filing appeal before CIT(A) who had decided the matter against the Company and thereafter, the Company had approached Income Tax Appellate Tribunal (ITAT).

During the year under audit, ITAT has upheld the decision of CIT(A) of disallowing company's claim for Assessment Year 2011-2012 for depreciation on Goodwill. The company has filed Miscellaneous Application u/s. 254(2) of Income-tax Act, 1961 before ITAT within the time line prescribed under the Act. Further the company's appeal with ITAT in respect of Assessment Year 2011-12 to 2016-17 (Except AY 2015-16), in the similar matter is pending for hearing.

In respect of this, based on the Legal Opinion and considering the available options under the provisions of Income-tax Act, 1961,the company is of the view that the company's appeal to allow depreciation will be judged favorably by the appellate / judicial authority. Therefore, no provision is required to be made in respect of disputed tax demand of Rs. 881.66 Lacs.

33 **Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and is considered to be the only reportable business segment. Further, The Company is operating in India which is considered as a single geographical segment.

34 Leases

The Company has taken office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. The Company has given refundable interest free security deposits in accordance with the agreed terms. All the leases of the company are short term lease (i.e. tenure of less than 1 year) except one lease with a tenure of 10 years and a lock in of 6 years. Maturity Analysis of such lease is as stated below

Maturity Analysis of Lease Liabilities

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Upto 3 months	7.47	7.12
Over 3 months upto 1year	22.55	21.47
Over 1 year upto 3 years	64.62	61.54
Over 3 years upto 5 years	71.25	67.85
Over 5 years	75.04	111.53
Total	**240.93**	**269.52**

Lease Liability movement (Amount Rs. in Lacs)

Particulars	Lease Liability
As at April 01, 2021	**167.18**
Addition during the year	-
Interest on Lease Liability	21.66
Lease rent paid for the year	(27.23)
As at March 31, 2022	**161.61**
Addition during the year	-
Interest on Lease Liability	20.80
Lease rent paid for the year	(28.59)
As at March 31, 2023	**153.82**

Amount Recognised in Statement of Profit & Loss

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on Lease Liabilities	20.80	21.66
Amortisation of ROU Assets	17.87	17.87
Expense related to Short-term Leases	2.16	2.25

Amount Recognised in Statement of Cash Flows

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Under Financing activities (Repayment of lease liability)	28.59	27.23
Under Operating activities (Short term leases)	2.16	2.25
Total cash outflow for leases	**30.75**	**29.48**

Lease Commitments for short-term leases

The Company has entered into Short term leases for office premises, tenure of which is less than a year. There are no obligations or commitments with reference to such short term leases as at reporting date as such leases are cancellable at the discretion of lessee i.e. the Company.

35 **Payment to Auditors (Excluding GST)**

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Audit fees	16.50	13.00
Certification services	1.40	3.85
Reimbursement of expenses	0.39	-
Total	**18.29**	**16.85**
Goods and Services Tax on above (Refer Note Below)	1.65	1.52
Total	**19.94**	**18.37**

Company being NBFC can avail only 50% of available credit of GST paid on audit fee

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36 Related party disclosures

36.1 Related party

a) Parent Company

Gojo & Co.

b) Subsidiary Company

Prayas Financial Services Pvt Ltd

c) Entity over which parent has significant influence

Satya Micro Capital Ltd

d) Entity having significant influence over the company

Stichting Capital 4 Development

e) Name of Key Management Personnel of Company :

Gaurav Gupta	Managing Director
Pranav Desai	Chief Financial Officer
Lavina Parikh	Company Secretary (till February 14, 2023)
Divya Rathi	Company Secretary (from February 15, 2023)

36.2 Particulars of related party transactions

(Amount Rs. in Lacs)

Name of the related party and nature of transaction	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Gaurav Gupta- Managing Director		
Salary	53.82	52.81
Leave Encashment	-	6.72
Pranav Desai- Chief Financial Officer		
Salary	45.86	45.00
Lavina Parikh		
Salary	8.53	7.44
Leave Encashment	0.84	-
Divya Rathi		
Salary	2.15	-
Prayas Financial Services Pvt Ltd		
Commission Expenses	475.23	106.08
Investment in Equity Shares	1,200.00	-
Security Deposit Received	245.00	406.73
Security Deposit Repaid	584.41	84.14
Security Deposit Adjusted against loan under BC Operations	102.39	3.82
Interest Expense on Security Deposit	24.81	12.02
Guarantee Income	1.31	-
Salary Reimbursement	66.79	-
Gurantee issued by the company	700.00	-
Satya Micro Capital Limited		
Commission Expenses	1.49	1.04
Security Deposit Received	-	1,118.11
Security Deposit Repaid	1,000.28	-
Security Deposit Adjusted	205.00	-
Interest Expense on Security Deposit	86.95	49.56
Gojo & Company		
Issue of Non Convertible Debenture	2,200.00	-
Interest Expense on Non Convertible Debenture	213.62	-

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

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36.3 Outstanding Balances :

(Amount Rs. in Lacs)

Name of the related party and nature of transaction	Closing balance as on	
	As at March 31, 2023	As at March 31, 2022
Satya Micro Capital Limited		
Security Deposit balance	557.83	1,763.11
Interest Accrued on Security Deposit	28.24	50.71
Amount Receivable Under BC Operations	108.08	139.89
Commission Expense Payable	0.14	0.18
Prayas Financial Services Pvt Ltd		
Commission Expense Payable	87.77	47.46
Security Deposit balance	30.94	472.74
Interest Accrued on Security Deposit	1.32	9.71
Guarantee Income Receivable	1.25	-
LPF & Ins and Other Payable	71.67	3.21
Salary Reimbursement - Receivabale	7.21	-
Balance of Gurantee issued by the company	700.00	-
Amount Receivable Under BC Operations	4.55	0.24
Investment in Equity Shares	1,260.00	60.00
Gojo & Company		
Interest Payable on Non Convertible Debentures	60.76	-
Gaurav Gupta- Managing Director		
Deferred Performance Linked Incentives	6.42	6.42

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

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

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Name of the KMP :		
Gaurav Gupta- Managing Director		
Gross Salary including perquisites	53.82	52.81
Leave Encashment	-	6.72
Pranav Desai- Chief Financial Officer		
Gross Salary including perquisites	45.86	45.00
Lavina Parikh		
Gross Salary including perquisites	8.53	7.44
Leave Encashment	0.84	-
Divya Rathi		
Gross Salary including perquisites	2.15	-

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37 Share Based Payments

37.1 Stock Appreciation Rights (SAR)

Brief of the Scheme

The Ananya SAR plan is a 'performance-based' plan that entitles the current and future employees who meet a certain eligibility criteria to the appreciation in value of Ananya shares over the 'Exercise price' over a specified period of time. The selection of the employees and implementation of the plan shall be done by the HR committee with the required approvals from the Board and the Shareholders.

Plan features:-

Vesting date - The last day of the financial year immediately preceding the date on which the Board approves the SAR.
Base Price - The price at which the last equity investment was made in the 2 financial years ending on the vesting date or the Book value on the vesting date, whichever is higher.
Term - 7 years from the date of vesting after which the SAR cannot be exercised
Expiry date - 7 years from the date of vesting
Lock-in period - The period of 3 years from the Vesting date during which time the SAR cannot be exercised

Details of SAR Payment

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Share based payments to employees	-	1.35

Movement of Liability / Provision

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Outstanding at the beginning of the Year	8.49	10.29
Add: Charged to / (reversal of expense) statement of P&L	-	(0.45)
Less: Liability paid	-	1.35
Outstanding at the end of the Year	**8.49**	**8.49**

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37.2 Employee Stock option plan (ESOP)

The company has also granted 60,20,514 Equity shares to employees under 'Employee Stock Option Plan'. Details of the same as follows:

During the year ended March 31, 2022, the following stock option grants were in operation:

Particulars	Tranche I	Tranche II
Date of Grant	February 14,2022	April 01, 2022
No. of options granted	56,41,774	3,78,740
Method of Settlement	Equity	Equity
Graded Vesting period:		
Day following the completion of 12 months from grant	10.00%	10.00%
Day following the completion of 24 months from grant	20.00%	20.00%
Day following the completion of 36 months from grant	70.00%	70.00%
Exercise Period	36 months from the respective date of vesting	36 months from the respective date of vesting
Vesting conditions	Continued employment/service with the company on relevant date of vesting and on achievement of certain milestones decided by committee apart from this Committee may also specify certain other performance criteria.	Continued employment/service with the company on relevant date of vesting and on achievement of certain milestones decided by committee apart from this Committee may also specify certain other performance criteria.
Average remaining contractual life (Years)	2	2
Average exercise price per option (₹)	20.38	20.38
Fair value of Shares (₹)	20.38	20.38
Value of Option (₹)	5.01	5.01

The expected price volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Employee Stock Option Plan		
Options outstanding at beginning of the year (No. of Options)	56.42	56.42
Granted during the year	3.79	
Forfeited during the year	(0.52)	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding during the year	59.68	56.42
Exercisable at the end of the year	-	-

(Amount Rs. in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Stock options outstanding (gross)	282.45	282.45
Stock Option Granted during the year	18.97	-
Stock Option Forfeited during the year	(2.61)	-
Deferred compensation cost outstanding	(140.81)	(14.75)
Stock options outstanding (Net)	158.01	267.69

37.3 Expense arising from share based payment transactions

Total expense arising from share based payment transactions recognised in profit and loss as part of employee benefit expense were as follows:

(Amount Rs. in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Employee stock option plan	126.03	14.75
Total	**126.03**	**14.75**

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38 Fair Value Measurements:

a) Measurement of fair values:

(i) Levels 1, 2 and 3

Level 1 : Financial Instruments which are actively traded in market are included in Level 1

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

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

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

b) Accounting classification and fair values

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

Valuation methodologies of financial instruments measured at fair value

Mutual Funds

Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1

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

Loans

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

Borrowings (Other than Debt Securities)

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

Short-term financial assets and liabilities

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

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Investments

The fair value of Investments in preference share approximates the carrying value less impairment while the fair value of Invesment in Equity Shares is considered based on the management's plan of the susequent investment in same equity shares in near future and are classified as level 3

As at 31st March, 2023 (Amount Rs. in Lacs)

Particulars	Carrying Value					Fair Value			
	At Cost	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	-	11,338.03	-	-	11,338.03				-
Other Bank Balance*	-	1,469.47	-	-	1,469.47				-
Loans	-	34,899.67	-	-	34,899.67			34,440.05	34,440.05
Investments	1,260.00	-	-	250.00	1,510.00	-		250.00	250.00
Other Financial assets*	-	276.67	-	-	276.67				-
Total Financial Assets	**1,260.00**	**47,983.84**	**-**	**250.00**	**49,493.84**	**-**	**-**	**34,690.05**	**34,690.05**
Trade Payables*	-	280.84	-	-	280.84				-
Lease Obligation*	-	153.82	-	-	153.82				-
Debt Securities*	-	12,086.24	-	-	12,086.24			11,999.27	11,999.27
Borrowings (Other than Debt Securities)	-	26,066.36	-	-	26,066.36			25,983.67	25,983.67
Other financial liabilities*	-	2,314.19	-	-	2,314.19				-
Total Financial Liabilities	**-**	**40,901.45**	**-**	**-**	**40,901.45**	**-**	**-**	**37,982.93**	**37,982.93**

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

As at 31st March, 2022 (Amount Rs. in Lacs)

Particulars	Carrying Value					Fair Value			
	At Cost	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	-	4,410.88	-	-	4,410.88	-	-	-	-
Other Bank Balance*	-	1,031.85	-	-	1,031.85	-	-	-	-
Loans	-	31,010.97	-	-	31,010.97	-	-	27,445.20	27,445.20
Investments		-	51.19	310.00	361.19	51.19	-	310.00	361.19
Other Financial assets*	-	344.32	-	-	344.32	-	-	-	-
Total Financial Assets	**-**	**36,798.01**	**51.19**	**310.00**	**37,159.20**	**51.19**	**-**	**27,755.20**	**27,806.39**
Trade Payables*	-	101.83	-	-	101.83	-	-	-	-
Lease Obligation*	-	161.61	-	-	161.61	-	-	-	-
Debt Securities*	-	3,617.19	-	-	3,617.19	-	-	3,616.90	3,616.90
Borrowings (Other than Debt Securities)	-	22,304.45	-	-	22,304.45	-	-	22,308.96	22,308.96
Other financial liabilities*	-	2,956.88	-	-	2,956.88	-	-	-	-
Total Financial Liabilities	**-**	**29,141.96**	**-**	**-**	**29,141.96**	**-**	**-**	**25,925.85**	**25,925.86**

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

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39 Financial Risk Management:

Risk Management

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

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

(A) Credit risk

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

The company's major exposure is either to direct retail borrowers or through other financial intermediaries operating in the Microfinance industry, that lend to women from low-income households. The remaining exposure is almost equally divided into two segments – (i) Agrifinance, where the company supports smallholder farmer collectives (FPO) and Agri-SMEs working with smallholder farmer collectives and (ii) Early-stage MSMEs that work in the impact space including renewable energy, waste management, affordable healthcare and livelihoods.

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

The company also tries to lower the credit risk by ensuring the portfolio is well-diversified both geographically and client-wise. It has placed various portfolio concentration limits and ensures it adheres to the caps.
The company reviews the credit quality of its loans based on the ageing of the loan at the period end and takes the same into consideration while calculating its ECL allowances.

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

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

Credit quality analysis

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

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on March,31 2023
Cash and cash equivalents	-	-	-	11,338.03	11,338.03
Bank Balance other than (a) above	-	-	-	1,469.47	1,469.47
Loans*	33,255.53	0.02	563.21	1.34	33,820.11
Investments	-	-	-	1,510.00	1,510.00
Other Financial assets	-	-	-	276.67	276.67

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

39 (Cont'd)

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on March, 31,2022
Cash and cash equivalents	-	-	-	4,410.88	4,410.88
Bank Balance other than (a) above	-	-	-	1,031.85	1,031.85
Loans*	28,364.79	150.21	582.89	0.67	29,098.56
Investments	-	-	-	361.19	361.19
Other Financial assets	-	-	-	344.32	344.32

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

Financial assets measured using simplified approach

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

(B) Collateral held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralized against security deposits, equitable mortgage of property, hypothecation of assets, personal guarantees, corporate guarantees etc

(C) Impairment Loss

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

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross loan exposure at risk as at March 31, 2022	28,364.79	150.21	582.89	29,097.89
Expected Credit Loss	152.19	15.02	485.53	652.76
Carrying amount as at March 31, 2022 (net of impairment provision)	**28,212.60**	**135.19**	**97.35**	**28,445.14**
Gross loan exposure at risk as at 31st March, 2023	33,255.53	0.02	563.21	33,818.77
Expected Credit Loss	163.86	-	445.49	609.35
Carrying amount as at March 31, 2023 (net of impairment provision)	**33,091.68**	**0.02**	**117.72**	**33,209.42**

Reconciliation of Gross Exposure

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross carrying amount balance as at April 01, 2021	**20,847.67**	**1,278.21**	**1,670.15**	**23,796.04**
- New loans disbursed during the year	25,046.84	-	38.12	25,084.97
- Loans closed/written off during the year	(11,301.04)	(1,087.56)	(875.89)	(13,264.49)
- Movement in EAD without change in asset staging	(5,564.44)	-	(414.48)	(5,978.91)
- Movement in EAD due to change in asset staging	(664.24)	(40.44)	164.98	(539.71)
Gross carrying amount balance as at March 31, 2022	**28,364.79**	**150.21**	**582.89**	**29,097.89**
- New loans disbursed during the year	27,834.14	-	94.33	27,928.47
- Loans closed/written off during the year	(14,382.04)	(150.21)	(241.06)	(14,773.30)
- Movement in EAD without change in asset staging	(8,024.51)	-	10.13	(8,014.38)
- Movement in EAD due to change in asset staging	(536.84)	0.02	116.92	(419.90)
Gross carrying amount balance as at March 31, 2023	**33,255.53**	**0.02**	**563.21**	**33,818.77**

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Reconciliation of ECL Balance

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
ECL Allowance as at April 01, 2021	**228.45**	**57.51**	**781.40**	**1,067.36**
- New loans disbursed during the year	129.78	-	23.26	153.04
- Loans closed/written off during the year	(141.77)	(38.44)	(429.63)	(609.84)
- Movement in position without change in asset staging	(58.97)	-	28.00	(30.96)
- Movement in position due to change in asset staging	(5.30)	(4.05)	82.49	73.14
ECL Allowance as at March 31, 2022	**152.19**	**15.02**	**485.53**	**652.75**
- New loans disbursed during the year	135.25	-	89.71	224.97
- Loans closed/written off during the year	(78.67)	(15.02)	(241.06)	(334.75)
- Movement in position without change in asset staging	(41.86)	-	(4.29)	(46.14)
- Movement in position due to change in asset staging	(3.06)	-	115.58	112.53
ECL Allowance as at March 31, 2023	**163.86**	**-**	**445.49**	**609.34**

(D) Write off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is Rs.95.66lakhs (P.Y. Rs. 747.23 Lakhs).

(E) **Modified financial instruments**

For financial assets, such as a loan to a customer, when the term and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognisation), the Company calculates modification gain/loss based on discounted cash flows.

There are no modifications made to any financial instruments during Financial Year 2022-23 & 2021-22

(F) **Credit risk grading of loans**

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.
The Company has established overall credit limits at the level of individual borrowers and counterparties, and also at the group levels of the company. It manages and controls credit risk by confining the amount of risk it is willing to accept for company counterparties, for geographical concentrations, and by closely monitoring such exposures.

Company has a Credit Risk Policy which is Board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly assessed for the following risk categories:

1. Low Risk
2. Medium Risk
3. High Risk – This category of customers are not actively sourced by the company. Any customer, assessed as High Risk, can be funded by the company basis exceptional comfort and availability of justifying mitigants. The extent and nature of due diligence is the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Processing Note by the credit department and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

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

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

Credit grading details (Amount Rs. in Lacs)

Period	Stage 1	Stage 2	Stage 3	Total EAD
31st March, 2023	33,255.53	0.02	563.21	**33,818.77**
31st March, 2022	28,364.79	150.21	582.89	**29,097.89**

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(G) Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have material concentration risk

Transferred financial assets that are derecognised in their entirety

There is no transfer of Financial assets resultiing into derecognization of Financial asset in current and previous year.

(H) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments and loans.

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

- parallel shift of 50-basis points of the interest rate yield curves in major currencies.
- 10% increase / decrease in NAV of all Mutual Funds traded in an active market, which are classified as financial asset measured at FVTPL.
- 10% increase / decrese in fairvalue of investment in equity shares, which are classified as financial asset mesured at FVOCI

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

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

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

(i) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities that are exposed to Interest Rate Risk has been provided below:

Exposure to interest rate risk

(Amount Rs. in Lacs)

	As at 31st March, 2023	As at 31st March, 2022
Floating Rate Borrowings		
Financial Liabilities	12,398.25	7,575.25

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

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

Impact on Profit / (loss) after tax (Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Increase in 50 basis points	(44.75)	(28.03)
Decrease in 50 basis points	44.75	28.03

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(I) Liquidity risk

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

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

(i) Maturities of financial liabilities

(Amount Rs. in Lacs)

		Current					Non-Current		
Particulars	Carrying amount	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
As at 31st March, 2023									
Financial Liabilities									
Trade Payables	280.84	263.12	2.58	11.88	3.15	0.12	-	-	-
Lease Liability	153.82	0.81	0.81	0.82	2.53	5.43	30.45	47.06	65.91
Debt Securities	12,086.24	91.19	91.19	2,826.75	1,050.70	1,293.17	6,733.25	-	-
Borrowings (Other than Debt Securities)	26,066.36	1,458.91	1,574.82	1,694.68	4,387.83	7,055.42	8,405.68	-	1,489.02
Other financial liabilities	2,314.19	320.47	-	3.30	332.27	346.06	1,277.92	34.17	-
Total	**40,901.45**	**2,134.49**	**1,669.40**	**4,537.42**	**5,776.48**	**8,700.20**	**16,447.30**	**81.23**	**1,554.94**
As at 31st March, 2022									
Financial Liabilities									
Trade Payables	101.83	82.82	0.34	13.72	1.42	3.53	-	-	-
Lease Liability	161.61	0.60	0.61	0.62	1.89	4.08	23.85	38.13	91.85
Debt Securities	3,617.19	-	1,122.58	-	-	-	2,494.61	-	-
Borrowings (Other than Debt Securities)	22,304.45	1,574.96	1,713.92	1,662.79	5,123.16	5,775.80	6,453.82	-	-
Other financial liabilities	2,956.88	124.92	111.64	107.45	343.51	662.46	1,572.83	34.04	-
Total	**29,141.96**	**1,783.30**	**2,949.08**	**1,784.58**	**5,469.98**	**6,445.87**	**10,545.11**	**72.17**	**91.85**

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(ii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bandhan Bank	-	1,000.00
Vivriti NCD	-	3,700.00

"In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in financial covenants of two lenders namely, Incred Financial Services Limited and Grow Money Capital Private Limitec (Formerly known as Eclear Leasing and Finance Pvt.Ltd) having total exposure of Rs. 993.65 lakhs in the company but Company has received relaxation from the said lenders. Management expects that the Company will be able to meet all contractual obligations from borrowings on a timely basis going forward."

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(J) **Foreign currency risk**

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

(K) **Other Price Risk**

The Entity is exposed to price risks arising from its investments. The sensitivity analysis have been determined based on the exposure to price risks for Investments in Mutual Funds and Equity Shares at the end of the reporting period.

The company's exposure to asset having price risk is as under.

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	250.00	361.19

Impact on Profit / (loss) after tax

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Increase by 10%	18.05	26.73
Decrease by 10%	(18.05)	(26.73)

40 Capital management:

Company's strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. It is achieved by maintaining a balance mix of Equity and Debt as may be appropriate. The Company determines the amount of funds required on the basis of operations, capital expenditure and business plans. The Capital structure is monitored on the basis of capital adequacy ratio and maturity profile of overall debt portfolio of the company. (Please refer Note 43 (A) and Note 39(I))

For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

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

41 Break up of loan portfolio

(Amount Rs. in Lacs)

Loan Portfolio	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Opening Loan outstanding	31,523.70	26,060.93
Loans disbursed during the Year	44,165.60	39,879.63
DA Pool Purchased (Refer Note below)		60.97
Total (A)	**75,689.31**	**66,001.53**
Write off	221.01	799.02
Loans assigned during the Year (Refer Note below)	-	-
Loans recovered during the year on owned portfolio	40,040.81	33,678.81
Loan portfolio restructured into investments	-	-
Total (B)	**40,261.83**	**34,477.83**
Loans outstanding at the end of the year (A-B)	**35,427.48**	**31,523.70**
Unamortized Transaction Cost	(254.05)	(171.81)
Loans outstanding	**35,173.43**	**31,351.89**
Assigned Portfolio	55.74	55.74
Asset under Management	**35,229.17**	**31,407.63**

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Details of Assignment transactions undertaken by NBFCs:

Particulars	2022-23	2021-22
1 No. of accounts	-	-
2 Aggregate value (net of provisions) of accounts sold	-	-
3 Aggregate consideration	-	-
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain / loss over net book value	-	-

Purchase of Portfolio
Details of Assignment transactions undertaken by NBFCs:

Parrticulars	2022-23	2021-22
1 No. of Transactions	-	1
2 Aggregate value (net of provisions) of accounts Purchased	-	60.97
3 Aggregate consideration	-	60.97
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain / loss over net book value	-	-

42 Retirement Benefits

a) Employee benefit plans

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

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

Asset volatility :

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

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

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

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

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

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

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Defined benefit obligation at the beginning of the year	66.45	53.37
Current service cost	15.88	19.49
Interest cost	4.92	3.63
Actuarial losses (gains) arising from change in financial	(10.88)	5.69
Actuarial losses (gains) arising from experience	(2.92)	(10.75)
Benefits paid	-	(4.97)
Defined benefit obligation at the end of the year	**73.45**	**66.45**

ii) Movement in fair value of plan assets

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Fair value of plan assets at the beginning of the year	50.76	45.25
Expected return on plan assets	4.27	3.17
Actuarial gains/(losses)	(0.30)	(0.45)
Contributions paid	13.91	7.77
Benefits paid	-	(4.97)
Fair value of plan assets at the end of the year	**68.65**	**50.76**

iii) Amount recognised in Balance Sheet :

(Amount Rs. in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Defined benefit obligation	73.45	66.45
Fair value of plan assets	68.65	50.76
Deficit in the plan	**4.78**	**15.68**
Experience. Adjustment On Plan Liabilities	2.92	10.75
Experience Adjustment on Plan Assets	(0.30)	(0.45)

iv) Expense recognised in Statement of Profit and Loss

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Current service cost	15.88	19.49
Interest on obligation	4.92	0.46
Expected return on plan assets	(4.27)	(3.17)
Total included in employee benefits expense	**16.53**	**16.77**

v) Amount recognised in Other Comprehensive Income (OCI) for the

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Actuarial Changes Arising from changes in	-	-
Actuarial Changes Arising from Changes in Financial	10.58	(6.15)
Actuarial Changes Arising from Changes in Experience	2.92	10.75
Closing amount recognised in OCI	**13.51**	**4.61**

vi) Asset / (liability) recognised in balance sheet

(Amount Rs. in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of obligation	73.45	66.45
Fair value of plan assets	68.65	50.76
Liability/(Asset) recognised in balance sheet	**4.78**	**15.69**

vii) Principal actuarial assumptions

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Discount Rate	7.40%	6.80%
Expected return on plan assets	7.40%	6.80%
Future salary increase	10.00%	10.00%
Retirement Age	60 Yrs	60 Yrs
Mortality Rate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	10%	10%

Projection Risks:

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

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

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

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

viii) Funding Arrangement and Policy

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

ix) Maturity Profile of Defined Benefit Obligations (Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Within the next 12 months (next annual reporting	8.08	5.17
Year 2	10.85	5.80
Year 3	10.75	5.13
Year 4	7.12	8.05
Year 5	6.90	3.62
more than 5 and upto 10 years	10.11	9.83

x) Quantitative sensitivity analysis for significant (Amount Rs. in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Increase/decrease on present value of defined benefits obligation		
i) 1% increase in discount rate	84.79	61.25
ii) 1% decrease in discount rate	108.08	72.42
iii) 1% increase in salary escalation rate	107.64	72.18
iv) 1% decrease in salary escalation rate	84.93	61.35
v) 1% increase in withdrawal rate	94.63	65.45
vi) 1% decrease in withdrawal rate	96.31	67.58

xi) Contribution for Next 12 Months (Amount Rs. in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contribution for Next 12 Months	8.08	10.83

xi) Sensitivity Analysis Method

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

xii) Asset information:

(Amount Rs. in Lacs)

Category of Assets	As at March 31, 2023	As at March 31, 2022
Insurer managed funds	100.00%	100.00%

xiii) Defined contribution plan (Amount Rs. in Lacs)

Amount recognised in Statement of Profit and Loss towards	For Year Ended March 31, 2023	For Year Ended March 31, 2022
i) Provident fund	42.99	37.15
ii) Employee state insurance	0.23	0.23
Total	43.22	37.38

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

(A) Statutory Ratios

(i) Capital Adequacy Ratio

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	28.20%	27.46%
CRAR - Tier I Capital (%)	23.93%	27.23%
CRAR - Tier II Capital (%)	4.28%	0.23%
Amount of subordinate debt raised as tier- II capital	1,500.00	-
Amount raised by issue of perpetual debt instruments	-	-

(ii) Liquidity Coverage Ratio

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Highly Liquid Assets	11,412.94	4,476.78
(A) Cash and cash equivalents	11,412.94	4,425.59
(B) Marketable Securities	-	51.19
(ii) Net Cash outflows of next 30 days from year end	1,234.59	1,724.36
(A) Cash Outflows	4,938.35	4,174.08
(B) Cash inflows	3,703.76	2,449.73
(iii) Liquidity Coverage Ratio	**924.43%**	**259.62%**

(B) Disclosure of Investments

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
Gross value of Investments	**1,580.19**	**431.38**
(a) In India	1,580.19	431.38
(b) Outside India	-	-
Provision for depreciation/diminution	**70.19**	**70.19**
(a) In India	70.19	70.19
(b) Outside India	-	-
Net value of investments	**1,510.00**	**361.19**
(a) In India	1,510.00	361.19
(b) Outside India	-	-
Movement of provisions held towards depreciation on Investments		
Opening Balance	70.19	70.19
Add: Provision made during the year	-	-
Less : Write -off / write-back of excess provisions during the year	-	-
Closing balance	**70.19**	**70.19**

(C) Derivatives:

Company has not entered into derivative transactions during financial year 2022-23 and 2021-22.
Hence disclosures related to derivatives are not applicable.

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(D) Disclosures pertaining to securitisation transactions

Details of Securitisation transactions undertaken:

(Amount Rs. in Lacs)

Sr No	Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator	6	1
2	Total amount of securitised assets as per books of the SPEs	8,732.69	3,690.87
3	Total amount of exposures retained by the originator to comply with MRR as on the date of		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	1,091.59	461.36
	- Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	436.63	184.54
	- Others	2,011.27	1,403.71
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of	4,411.59	3,229.51
6	Outstanding value of services provided by way of asset servicing post securitisation	3,905.21	26.50
7	Performance of post securitisation aset servicing facility provided.		
	(a) Amount paid	1,540.02	10.54
	(b) Repayment received	1,531.54	10.40
	(c) Outstanding amount	Nil	Nil
8	Average default rate of portfolios observed in the past. Please provide breakup separately	NA	NA
9	Amount and number of additional/top up loan given on same underlying asset. Please	NA	NA
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NA	NA

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(E) Exposure to Real Estate Sector

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
a) **Direct Exposure**		
(i) **Residential Mortgages**		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	-	-
(ii) **Commercial Real Estate**		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residentail building, multi tenanted commercial premises. industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based limits.	163.99	-
(iii) **Investments in Mortgage back securities (MBS)**		
(a) Residential	-	-
(b) Commercial real estate	-	-
Total Direct Exposure (A)	163.99	-
b) Indirect Exposure (B)	-	-
Total Exposure to Real Estate Sector (A+B)	163.99	-

(F) Exposure to Capital Market:

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
(i) Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in	1,510.00	310.00
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	-	-
(iii) Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary securitv:	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances:	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	-	-
(vi) Loan sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	1,510.00	310.00

(G) The company has not disbursed any loans against security of Gold.

(H) Unsecured advances

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

(I) Registration obtained from other financial sector regulators

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

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

Particulars	F.Y. 2022-2023	F.Y. 2021-2022
(A) Penalties imposed by RBI	-	-
(B) Penalties imposed by Other regulators		
- Penalties imposed by BSE	4.28	-
Less : Waiver applied for and accepted by BSE	2.70	-
Net Penalties Paid	1.58	-

43 (Cont'd)

(K) Details of Credit Ratings:

i) Ratings assigned by Credit rating agencies:

(Amount Rs. in Lacs)

Product	Rating Agency	As At March 31, 2023		As At March 31, 2022	
		Amount	Rating assigned	Amount	Rating assigned
NCD	Brickwork Ratings India Private Limited	8,450	BWR BBB/Negative	2,500	BWR BBB/Negative
NCD	Brickwork Ratings India Private Limited	35,000	BWR BBB/Negative	1,125	BWR BBB/Negative
LTB	Acuite Rating and Research Limited	20,000	ACUITE BBB/Stable	34,400	BWR BBB/Negative

NCD stands for Non-Convertible Debentures
LTB stands for Long Term Bank Facilities

ii) Details of migration of credit ratings during the year:

During the year, in June 2022, Brickwork Ratings India Private Limited had reaffirmed its rating of BWR BBB/Negative on Non Covertible Debentures and Long Term Bank Facilities of the Company. However, Acuite Rating & Research, in December 2022, assigned a rating of ACUITE BBB/Stable on the Long Term Bank Facilities of the Company. Further, Infomerics Valuation and Rating Pvt. Ltd, in April 2023, assigned a rating of IVR BBB/Positive on the Non Covertible Debentures of the Company.

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

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

(M) Remuneration paid to Non Executive Directors:

(Amount Rs. in Lacs)

Name of the Director	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Ms. Jayshree Vyas	-	1.13
Mr. Siddharth Sinha	1.73	1.65
Mr. Arvind Agrawal	1.35	1.43
Mr. Sanjay Gandhi	2.10	2.03
Mr. Brij Mohan	-	0.60
Ms. Anjali Choksi	1.73	-
Ms. Tara Nair	2.25	2.48
Mr. N K Maini	1.28	2.03
Ms. Namrata Chindarkar	0.30	-
Total	**10.73**	**11.33**

(N) Details of Provisions and Contingencies

(Amount Rs. in Lacs)

Particulars	As At March 31, 2023	As At March 31, 2022
Provision for depreciation on investment	70.19	70.19
Provision made towards Tax (Net of Advance Tax)	43.47	127.37
Provision for Standard Assets	163.85	167.20
Provision towards non performing advances	445.50	485.55
Provision for Contingencies/Other financial assets	-	-
Total	**723.01**	**850.31**
Bad debts written off/(back) during the year	95.66	747.23

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

a) Concentration of Advances

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Total advances to twenty largest borrowers	6,389.45	5,663.48
Percentage of advances to twenty largest borrowers to total advances	18.17%	18.06%

Note: Advances includes outstanding principal amount

b) Concentration of Exposures

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Total Exposure to twenty largest borrowers / customers	6,393.87	5,667.09
Percentage of exposure to twenty largest borrowers / customers to total exposure	18.01%	17.90%

Note: Exposure includes amount outstanding including principal and interest overdue.

c) Concentration of NPAs

(Amount Rs. in Lacs)

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Total exposure to top four NPA accounts	521.62	525.58

d) Details of sectorwise NPA:

(Amount Rs. in Lacs)

Sector	% of NPAs to total advances in that	
	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Agriculture & allied activities	16.41%	8.99%
MSME	0.00%	0.00%
Corporate borrowers	4.00%	4.44%
Services	0.00%	0.00%
Unsecured personal loans	0.00%	0.00%
Auto Loans	0.00%	0.00%
Other loans*	0.53%	1.05%

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

(P) Disclosure of Complaints:

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
i. Number of complaints pending at the beginning of year	-	-
ii. Number of complaints received during the year	-	-
iii. Number of complaints redressed during the year	-	-
iv. Number of complaints pending at the end of the year	-	-

(Q) Asset Classification

(a) Asset Classification and provision thereof

(Amount Rs. in Lacs)

Asset classification	As at 31st March, 2023		As at 31st March, 2022	
	Loan Portfolio	Provision	Loan Portfolio	Provision
Standard Assets	33,255.55	163.85	28,515.00	167.20
Sub standard Assets*	245.64	225.25	322.62	225.26
Doubtful Assets	317.58	220.25	260.28	260.28
Loss Assets	-	-	-	-
Total	33,818.77	609.35	29,097.89	652.75

* Includes provision for diminution in value of restructured advances of Rs.0.08 lakhs for FY 2022-23 and Rs. 22.93 lakhs for FY 2021-22 as mentioned in note C below.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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(b) The movement in provision for the year ended 31st March 2023 and 31st March 2022

(Amount Rs. in Lacs)

Particulars	As at 31st March, 2023		
	Standard asset provision	Non-performing asset provision	Total
Opening balance	167.20	485.55	652.75
Additions	-	-	-
Reduction	3.35	40.04	43.39
Closing balance	**163.85**	**445.50**	**609.35**

Particulars	As at 31st March, 2022		
	Standard asset provision	Non-performing asset provision	Total
Opening balance	285.96	781.40	1,067.37
Additions			-
Reduction	118.76	295.86	414.61
Closing balance	**167.20**	**485.55**	**652.76**

The movement in Provision has been shown on net basis.

(c) Provision for diminution in the fair value of restructured advances

During the year, the Company has made a provision (net) amounting to Rs.0.08 lakhs (Previous Year: Rs.22.93lakhs) for diminution in the fair value of restructured advances in accordance with the Master Direction No. : DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank)

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(d) Disclosure of Restructured Accounts
Details of 2021-22

(Amount Rs. in Lacs)

Sr. No.	Type of Restructuring		Under CDR Mechanism / Under SME Debt					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 1st April 2021 (opening Figures)*	No. of Borrowers	-	-	-	-	-	2.00		-	-	2.00	2.00	-	-	-	2.00
		Amount Outstanding	-	-	-	-	-	880.04		-	-	880.04	880.04	-	-	-	880.04
		Provision Thereon	-	-	-	-	-	32.97		-	-	32.97	32.97	-	-	-	32.97
2	Fresh Restructuring during the year	No. of Borrowers	-	-	-	-	-	1,927.00	-	-	-	1,927.00	1,927.00	-	-	-	1,927.00
		Amount Outstanding	-	-	-	-	-	230.12	-	-	-	230.12	230.12	-	-	-	230.12
		Provision Thereon	-	-	-	-	-	22.93	-	-	-	22.93	22.93	-	-	-	22.93
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured Standard Advances which ceases to attract higher provisioning and / or additional	No. of Borrowers	-	-	-	-	-	-	2.00	-	-	2.00	-	2.00	-	-	2.00
		Amount Outstanding	-	-	-	-	-	-	880.04	-	-	880.04	-	880.04	-	-	880.04
		Provision Thereon	-	-	-	-	-	-	32.97	-	-	32.97	-	32.97	-	-	32.97
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on 31st March of the FY (Closing Figures)*	No. of Borrowers	-	-	-	-	-	1,927.00	-	-	-	1,927.00	1,927.00	-	-	-	1,927.00
		Amount Outstanding	-	-	-	-	-	230.12	-	-	-	230.12	230.12	-	-	-	230.12
		Provision Thereon	-	-	-	-	-	22.93	-	-	-	22.93	22.93	-	-	-	22.93

* Excluding the Figures of standard restructured advances which do not attract higher provisioning on risk weight

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(d) Disclosure of Restructured Accounts
Details of 2022-23

(Amount Rs. in Lacs)

Sr. No.	Type of Restructuring		Under CDR Mechanism / Under SME Debt					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 1st April 2022(opening Figures)*	No. of Borrowers	-	-	-	-	-	1,927.00		-	-	1,927.00	1,927.00	-	-	-	1,927.00
		Amount Outstanding	-	-	-	-	-	230.12		-	-	230.12	230.12	-	-	-	230.12
		Provision Thereon	-	-	-	-	-	22.93		-	-	22.93	22.93	-	-	-	22.93
2	Fresh Restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured Standard Advances which ceases to attract higher provisioning and / or additional	No. of Borrowers	-	-	-	-	-	1,897.00	-	-	-	1,897.00	1,897.00	-	-	-	1,897.00
		Amount Outstanding	-	-	-	-	-	228.96	-	-	-	228.96	228.96	-	-	-	228.96
		Provision Thereon	-	-	-	-	-	22.85	-	-	-	22.85	22.85	-	-	-	22.85
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on 31st March of the FY (Closing Figures)*	No. of Borrowers	-	-	-	-	-	-	30.00	-	-	30.00	-	30.00	-	-	30.00
		Amount Outstanding	-	-	-	-	-	-	1.16	-	-	1.16	-	1.16	-	-	1.16
		Provision Thereon	-	-	-	-	-	-	0.08	-	-	0.08	-	0.08	-	-	0.08

* Excluding the Figures of standard restructured advances which do not attract higher provisioning on risk weight
(R) There are no instances of single borrower limit/group borrower limit which are exceeded from prescribed limit.

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

(Amount Rs. in Lacs)

As at March 31, 2023	1 to 7 Days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	276.93	39.02	1,234.15	1,666.00	4,521.42	5,438.53	8,348.59	15,138.93	-	1,489.02	38,152.59
Asset											
Loans			2,538.97	3,123.60	2,398.06	7,032.71	8,409.23	10,360.74	901.12	135.24	34,899.67
Investments- MF										1,510.00	1,510.00

(Amount Rs. in Lacs)

As at March 31, 2022	1 to 7 Days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	305.45	316.00	953.51	2,836.49	1,662.79	5,123.16	5,775.80	8,948.43	-	-	**25,921.66**
Assets											
Loans			1,946.05	3,283.20	2,733.53	5,657.52	8,242.79	7,875.04	1,056.44	216.39	**31,010.97**
Investments- MF						51.19				310.00	**361.19**

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

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45 Maturity analysis of assets and liabilities

(Amount Rs. in Lacs)

	Particulars	As at 31st March, 2023			As at 31st March, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	ASSETS						
[1]	**Financial Assets**						
(a)	Cash and cash equivalents	11,338.03	-	11,338.03	4,410.88	-	4,410.88
(b)	Bank Balance other than (a) above	352.97	1,116.50	1,469.47	624.90	406.95	1,031.85
(c)	Loans	23,502.57	11,397.10	34,899.67	21,863.09	9,147.87	31,010.97
(d)	Investments	-	1,510.00	1,510.00	51.19	310.00	361.19
(e)	Other Financial assets	273.87	2.80	276.67	186.26	158.06	344.32
		35,467.44	**14,026.40**	**49,493.85**	**27,136.31**	**10,022.89**	**37,159.21**
[2]	**Non-financial Assets**						
(a)	Current tax assets (Net)	-	714.38	714.38	-	895.27	895.27
(b)	Deferred tax Assets (Net)	-	345.48	345.48	-	363.31	363.31
(c)	Property, Plant and Equipment	-	50.19	50.19	-	68.47	68.47
(d)	Intangible assets under development	-	32.68	32.68	-	32.68	32.68
(e)	Other Intangible assets	-	0.23	0.23	-	0.61	0.61
(f)	Right of Use Asset	-	123.63	123.63	-	141.50	141.51
(g)	Other non-financial assets	36.49	-	36.49	5.76		5.76
		36.49	**1,266.59**	**1,303.09**	**5.76**	**1,501.84**	**1,507.61**
	Total Assets	**35,503.93**	**15,292.99**	**50,796.94**	**27,142.07**	**11,524.73**	**38,666.82**
	LIABILITIES AND EQUITY						
	LIABILITIES						
[1]	**Financial Liabilities**						
(a)	Payables						
	Trade Payables						
	(i) total outstanding dues of micro enterprises and small enterprises						
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	280.84	-	280.84	101.83		101.83
(b)	Lease Obligation	10.40	143.42	153.82	7.79	153.82	161.61
(c)	Debt Securities	5,353.00	6,733.24	12,086.24	1,122.58	2,494.61	3,617.19
(d)	Borrowings (Other than Debt Securities)	16,171.64	9,894.72	26,066.36	15,850.63	6,453.82	22,304.45
(e)	Other financial liabilities	1,002.10	1,312.09	2,314.19	1,349.99	1,622.57	2,972.56
		22,817.98	**18,083.47**	**40,901.45**	**18,432.81**	**10,724.83**	**29,157.64**
[2]	**Non-Financial Liabilities**						
(a)	Provisions	-	90.58	90.58	-	63.48	63.48
(b)	Other non-financial liabilities	37.13	-	37.13	48.08		48.08
		37.13	**90.58**	**127.71**	**48.08**	**63.48**	**111.56**
[3]	**EQUITY**						
(a)	Equity Share capital	-	6,602.92	6,602.92		6,602.92	6,602.92
(b)	Other Equity	-	3,164.86	3,164.86		2,794.70	2,794.70
	Total Equity	-	**9,767.78**	**9,767.78**	-	**9,397.62**	**9,397.62**
	Total Liabilities and Equity	**22,855.11**	**27,941.83**	**50,796.94**	**18,480.89**	**20,185.93**	**38,666.82**

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

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

As at 31st March, 2023 (Amount Rs. in Lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	33,255.54	163.85	33,091.68	138.29	25.56
	Stage 2	0.02	-	0.02	0.63	-0.63
Subtotal		**33,255.55**	**163.85**	**33,091.70**	**138.92**	**24.93**
Non-Performing Assets (NPA)						
Substandard	Stage 3	245.64	225.25	20.40	39.63	185.62
Doubtful - up to 1 year	Stage 3			-		-
1 to 3 years	Stage 3	317.58	220.25	97.32	171.14	49.12
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		317.58	220.25	97.32	171.14	49.12
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**563.22**	**445.50**	**117.72**	**210.76**	**234.74**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	33,255.54	163.85	33,091.68	138.29	25.56
	Stage 2	0.02	-	0.02	0.63	(0.63)
	Stage 3	563.22	445.50	117.72	210.76	234.74
	Total	**33,818.77**	**609.35**	**33,209.42**	**349.69**	**259.66**

As at 31st March, 2022 (Amount Rs. in Lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	28,364.79	152.18	28,212.61	144.88	7.30
	Stage 2	150.21	15.02	135.19	1.59	13.44
	Stage 3	-	-			
Subtotal		**28,515.00**	**167.20**	**28,347.80**	**146.46**	**20.74**
Non-Performing Assets (NPA)						
Substandard	Stage 3	322.62	225.26	97.36	40.04	185.22
Doubtful - up to 1 year	Stage 3	260.28	260.28	-	260.28	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		260.28	260.28	-	260.28	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**582.89**	**485.54**	**97.36**	**300.32**	**185.22**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current	Stage 1		-	-		-
	Stage 2		-	-		-
	Stage 3		-	-		-
Subtotal		-	-	-	-	-
Total	**Stage 1**	28,364.79	152.18	28,212.61	144.88	7.30
	Stage 2	150.21	15.02	135.19	1.59	13.44
	Stage 3	582.89	485.54	97.36	300.32	185.22
	Total	**29,097.89**	**652.74**	**28,445.16**	**446.79**	**205.95**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

46.1 Movement of NPAs:-

(Amount Rs. in Lacs)

Particular	at 31st March, 202	at 31st March, 2022
Net NPA to net advance (%)	0.35%	0.34%
Movement of gross NPAs		
Opening Balance	582.89	1,670.15
Addition during the year	211.26	203.10
Reduction/Write off during the year	230.93	1,290.37
Closing balance	**563.22**	**582.89**
Movement of provision for NPAs		
Opening Balance	485.53	781.40
Addition during the year	205.30	105.76
Reduction/Write off during the year	245.34	401.63
Closing balance	**445.49**	**485.53**
Movement of net NPAs		
Opening Balance	97.36	888.75
Addition during the year	5.96	97.35
Reduction/Write off during the year	(14.41)	888.74
Closing balance	**117.73**	**97.36**

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

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

Year	As at 31st March, 2023	As at 31st March, 2022
Number of Significant Counterparties	18.00	19.00
Amount (In Lakhs)	38,408.00	26,036.15
% of Total deposits	NA	NA
% of Total liabilities	93.61%	88.95%

47.2 Top 20 large deposits

Not Applicable. The Company being a Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

47.3 Top 10 borrowings

Year	As at 31st March,	As at 31st March, 2022
Amount (In Lakhs)	31,676.46	19,927.69
% of Total Borrowings	83.03%	76.88%

47.4 Funding Concentration based on significant instrument/product

Year	As at 31st March, 2023		As at 31st March, 2022	
Name of the Instrument/ Product	Amount (In Lakhs)	% of Total Liabilities	Amount (In Lakhs)	% of Total Liabilities
Secured Non Convertible Debentures	12,150.00	31.63%	3,625.00	13.92%
Term loans	26,257.99	68.36%	22,411.15	86.08%
Cash Credit Limits	0.59	0.00%	0.58	0.00%
Total	**38,408.58**	**100.00%**	**26,036.73**	**100.00%**

47.5 Stock Ratios

Particulars	As a % of public funds		As a % of Total liabilities		As a % of total assets	
Year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Commercial papers	-	-	-	-	-	-
Non- Convertible Debentures (original maturity of less than one year)	-	-	-	-	-	-
Other Short term liabilities*	-	-	0.00%	0.00%	0.00%	0.00%

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

47.6 Institutional set-up for liquidity risk management

The Liquidity Risk Management of the Company is governed by Risk Management Committee. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by the Company including liquidity risk. Company's Board has guided Asset Liability Management Committee (ALCO) to ensure adherence to the liquidity risk tolerance/limits and prepare liquidity risk management strategy. The role of the ALCO with respect to liquidity risk would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

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

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

(Amount Rs. in Lacs)

Particulars	2022-23		2021-22	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a) Debentures :				
Secured	12,282.97	-	3,736.85	-
Unsecured(other than falling within the meaning of public deposits)	-		-	-
b) Deferred Credits	-		-	-
c) Term Loans	26,189.84		22,381.03	-
d) Inter-corporate loans and borrowing	-		-	-
e) Commercial Paper	-		-	-
f) Public Deposits	-		-	-
g) Other Loans	-		-	-
Cash Credit from Bank	-		-	-

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

(Amount Rs. in Lacs)

Particulars	2022-23		2021-22	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a) In the form of Unsecured Debentures	-	-	-	-
b) In the form of Partly Secured debentures i.e.debentures where there is a shortfall in the value of security	-	-	-	-
c) Other Public deposits	-	-	-	-

C Break up of Loans and advances including bills receivables[other than those included in (D) below]: excluding interest accrued

(Amount Rs. in Lacs)

Amount Outstanding	2022-23	2021-22
a) Secured	7,031.45	5,888.44
b) Unsecured	28,477.56	25,775.26

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

(Amount Rs. in Lacs)

Pariculars	2022-23	2021-22
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease		
(b) Operating Lease		
(ii) Stock on hire including hire charges under sundry debtors:	Not Applicable	
(a) Assests on hire		
(b) Repossessed Assests		
(iii) Other Loans counting towards AFC activities		
(a) Loans where assests have been repossessed		
(b) Loan other than (a) Above		

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

E Break up of Investments

(Amount Rs. in Lacs)

Pariculars	2022-23	2021-22
Current Investments:		
1. Quoted		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	51.19
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Unit of Alternate Investment Fund	-	-
Long Term Investments:		
1. Quoted		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares:		
(a) Equity	1,510.00	310.00
(b) Preference	70.19	70.19
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Unit of Alternate Investment Fund	-	-

F Borrowers group wise classification of assets financed as in (C) and (D) above:

(Amount Rs. in Lacs)

Category	2022-23			2021-22		
	Amount net of Provisions			Amount net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other Related parties	-	-	-	-	-	-
2. Other than related parties	7,031.45	28,477.56	35,509.01	5,888.44	25,775.26	31,663.70
Total	7,031.45	28,477.56	35,509.01	5,888.44	25,775.26	31,663.70

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

(Amount Rs. in Lacs)

Category	2022-23		2021-22	
	Market Value/Break up or FAIR Value or NAV	Book Value(Net of Provisions)	Market Value/Break up or FAIR Value or NAV	Book Value(Net of Provisions)
1. Related parties				
a) Subsidiaries	NA	1,260.00	-	-
b) Companies in the same group	-	-	-	-
c) Other Related parties	-	-	-	-
2. Other than related parties	250.00	250.00	361.19	361.19
Total	**250.00**	**1,510.00**	**361.19**	**361.19**

H Other Information

(Amount Rs. in Lacs)

Pariculars	2022-23	2021-22
(i) Gross Non-Performing Assests		
a) Related Parties	-	-
b) Other than related parties	563.22	582.89
(ii) Net Non performing Assests		
a) Related Parties	-	-
b) Other than related parties	117.72	97.36
(iii) Assets acquired in satisfaction of Debt		

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

49 **Disclosure of Whistle blower Complaints**

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

50 **Nature of loan portfolio transferred under securitization transaction**

During the year 2022-23 and corresponding previous year, company has entered securitization arrangement with various banks and financial institutions. Under the arrangement company has transferred a select pool of loan portfolio which was originated in its books after completion of the minimum retention period as prescribed by Reserve Bank of India under its securitization guidelines. Derecognition of pool transferred which does not fulfil the derecognition criteria specified in AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the company's involvement in these assets is as follows:-
- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties.

50.1 **Nature of risk and rewards of ownership to which the entity is exposed**

The company has transferred a part of its portfolio (measured at amortised cost) vide securitisation deals executed with various parties as a source of funds. As per the terms of deal, the derecognition criteria as per Ind As 109 including transaction substantially at the risks and rewards relating assets is being transferred to the buyer being not met, the assets are not derecognized. These transactions are being done as per the guidelines laid down by the Reserve Bank of India.

The arrangement has evaluated the impact of the securitsation transaction executed during the year on its business model. Based on the future business plan, the company's business model remains to hold assets for collecting contractual cash flows.

50.2 **Details of assets transferred, assets continue to recognize and associated liabilities under securitization transactions**

(Amount Rs. in Lacs)

Particulars	March 31, 2023	March 31, 2022
Carrying amount of the original assets before transfer	8,732.69	3,690.87
Carrying amount as at year end	3,102.86	1,865.07
Associated Borrowing oustanding at year end	2,871.57	2,174.85

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

a) No Satisfaction of charges pending to be filed with ROC
b) Not declared as wilful defaulter by any bank or financial Institution or other lender.
c) Not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMP's and related parties which are repayable on demand or given without specifying terms or period of repayment.
d) No proceedings have been initiated are pending against the company for holidng any benami property under the Benami Transaction(Prohibition) act, 1988.
e) Not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
f) Not made any Investment in violation to the provisions related to number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
g) Not traded or invested in Crypto Currency or Virtual Currency.

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

In respect of borrowings on the basis of security of current assets from banks and financial institutions, quarterly returns / statements of current assets filed by the Company with banks and financial institutions were in agreement with the books of accounts.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

53 The Information required as per Reserve Bank of India Circular on Resolution Framework - 2.0 dated May 5, 2021 is as under:

Sr No.	Description	Individual Borrowers		Small Business
		Personal Loans	Business Loans	
(a)	Number of requests received for invoking resolution process under Part A (Nos.)		1,927	
(b)	Number of accounts where resolution plan has been implemented under this window (Nos.)		1,927	
(c)	Exposure to accounts mentioned at (B) before implementation of the plan (Rs. In Lakhs)		558.25	
(d)	Of (C), aggregate amount of debt that was converted into other securities	-NIL-	-	-NIL-
(e)	Additional funding sanctioned, if any, including between invocation of the plan and implementation		-	
(f)	Increase in provisions on account of the implementation of the resolution plan (Rs. In Lakhs)		0.03	

54 (a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Ananya Finance for Inclusive Growth Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Ananya Finance for Inclusive Growth Private Limited (hereinafter referred to as "the Parent Company" or "the Company), and its subsidiary (the parent company and its subsidiary together referred as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

Attention is drawn to Note 45 of the consolidated financial statements, in relation to the ratio of microfinance loans to total assets of Subsidiary. On the basis of Balance Sheet of Subsidiary, as at 31st March, 2023, the Ratio of microfinance loans to total assets worked out to 45.53%, which is less than minimum requirements of 75% prescribed under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022. Our Opinion on the consolidated financial statements is not modified in respect of this matter.

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 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 matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td>Impairment of Loans as at Balance Sheet Date (Expected Credit Losses):
(Refer Note 6 to the Consolidated Financial Statements)
Ind AS 109 requires the Group to provide for impairment of its loans designated at amortised cost using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loan receivable.

In the process, a significant degree of judgment has been applied by the management for:
• staging of the Loan Receivable (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories)
• grouping of borrowers based on homogeneity by using appropriate statistical techniques;
• estimation of behavioural life;
• determining macro-economic factors impacting credit quality of Loans Receivable;
• estimation of losses for Loans Receivable with no/minimal historical defaults.

Since the loan Receivable form a major portion of the Group's assets, and due to the significance of the judgements used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit and hence a key audit matter.</td><td>Principal audit procedures performed are:
• Read and assessed the Group's accounting policies for impairment of loans and their compliance with Ind AS 109.

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

• Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.

• Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of macro-economic factors.

• Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the Parent company for loans receivable with inadequate historical defaults.

• Tested for a sample of exposures, the appropriateness of determining Exposure at Default (EAD), calculation of Probability of Default (PD) and Loss Given Default (LGD) used in ECL calculation.

• Tested assumptions used by the management in determining the overlay for macro-economic factors.

• Assessed disclosures included in the Financial Statements in respect of expected credit losses.</td></tr>
</table>

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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- 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 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 parent company and its subsidiary company, has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gorup 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 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 Gorup Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 the Consolidated Financial Statements.

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b) In our opinion, proper books of account as required by law relating to preparation of Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books.

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

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to parent and subsidiary company.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements. (Refer Note 32).

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

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

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

(b) The Management of parent and subsidiary company has represented, that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the parent and subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the parent and subsidiary 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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

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

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

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and its subsidiary included in the consolidated financial statements of the Group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except for the following:

No.	Name of The Company	CIN	Nature of Relationship	Clause Number of CARO report with qualification or adverse remark
1.	Prayas Financial Services Private Limited	U67190GJ2017PTC096063	Subsidiary Company	VII (B)

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

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJWC2949

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

Annexure A to the Independent Auditors' Report

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

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

In conjunction with our audit of the Consolidated Financial Statements of Ananya Finance for Inclusive Growth Private Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Ananya Finance For Inclusive Growth Private Limited ("hereinafter referred to as "the Parent Company" or "the Company") and it's subsidiary as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary company.

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

Place: Ahmedabad
Date: May 16, 2023

(J. D. Shah)
Partner
Membership No.: 100116
UDIN: 23100116BGWJWC2949

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Consolidated Balance Sheet as at March 31, 2023

(Amount Rs. in Lacs)

Particulars	Note No.	As at March 31, 2023
A ASSETS		
(1) Financial Assets		
(a) Cash and cash equivalents	4	12,557.98
(b) Bank Balance other than (a) above	5	1,543.06
(c) Loans	6	36,623.31
(d) Investments	7	250.00
(e) Other Financial assets	8	393.63
Total Financial Assets		**51,367.98**
(2) Non-financial Assets		
(a) Current tax assets (Net)	10	751.12
(b) Deferred tax Assets (Net)	10	412.68
(c) Property, Plant and Equipment	11	100.37
(d) Intangible assets under development	12	32.68
(e) Goodwill		189.16
(f) Other Intangible assets	12	0.23
(g) Right of Use Asset	13	327.42
(h) Other non-financial assets	9	39.52
Total Non Financial Assets		**1,853.18**
Total Financial and Non Financial Assets		**53,221.16**
LIABILITIES AND EQUITY		
LIABILITY		
(1) Financial Liabilities		
(a) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	143.45
(b) Lease Obligation	15	355.85
(c) Debt Securities	19	12,753.24
(d) Borrowings (Other than Debt Securities)	19	26,742.15
(e) Other financial liabilities	16	2,408.47
Total Financial Liabilities		**42,403.16**
(2) Non-Financial Liabilities		
(a) Provisions	17	111.57
(b) Other non-financial liabilities	18	60.63
Total Non Financial Liabities		**172.20**
(3) EQUITY		
(a) Equity Share capital	20	6,602.92
(b) Other Equity	21	3,174.14
(c) Non Controlling Interest		868.74
Total Equity		**10,645.80**
Total Liabilities and Equity		**53,221.16**

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

For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

For and on behalf of the Board of Directors of
Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(Amount Rs. in Lacs)

Particulars	Note No.	For the year ended March 31, 2023
REVENUE FROM OPERATIONS		
(i) Interest Income	22	6,575.33
(ii) Fees and Commission Income	22.1	284.45
(ii) Net gain on fair value changes	23	16.01
(I) Total Revenue from operations		**6,875.79**
(II) Other Income	25	53.03
(III) Total Income (I+II)		**6,928.82**
EXPENSES		
(i) Finance Costs	26	4,178.27
(ii) Fees and Commission Expenses	27	491.00
(iii) Net loss on derecognition of financial instruments under amortised cost category	24	46.72
(iv) Impairment / (Reversal of Impairment) on financial instruments	28	(40.63)
(v) Employee Benefits Expenses	29	1,355.76
(vi) Depreciation, amortization and impairment	11&12&13	63.51
(vii) Other expenses	30	523.18
(IV) Total Expenses		**6,617.81**
(V) Profit / (loss) before tax (III -IV)		**311.01**
(VI) Tax Expense:		
(1) Current Tax	10	29.42
(2) Adjustment of earlier year Tax	10	7.01
(3) Deferred Tax	10	(32.90)
(4) MAT Credit	10	53.04
Total Tax Expense		**56.57**
(VII) Profit / (loss) for the year (V - VI)		**254.44**
VIII) Other Comprehensive Income	10.1	
(i) Items that will not be reclassified to profit or loss		13.95
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.76)
Subtotal (A)		**10.19**
(i) Items that will be reclassified to profit or loss		-
(ii) Income tax relating to items that will be reclassified to profit or loss		-
Subtotal (B)		-
Other Comprehensive Income / (loss)		**10.19**
(IX) Total Comprehensive Income / (loss) (VII+VIII)		**264.63**
(X) Profit/(Loss) for the period attributable to:		
a Owner of the company		245.50
b Non-Controlling Interest		8.94
(XI) Other Comprehensive Income for the period		
a Owner of the company		9.99
b Non-Controlling Interest		0.20
(XII) Total Comprehensive Income for the period		
a Owner of the company		255.49
b Non-Controlling Interest		9.14
XIII) Earnings / (Loss) per equity share		
Basic (Rs.)	31	0.39
Diluted (Rs.)		0.39

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

For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

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

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Consolidated Cash Flow Statement For the Year Ended March 31, 2023

(Amount Rs. in Lacs)

	Particulars	For the year ended March 31, 2023
(A)	**Cash flow from operating activities**	
	Net Profit/(Loss) before tax	311.01
	Adjustments For:	
	Depreciation and amortisation	63.51
	Gain on Sale of Property, Plant and Equipment	9.16
	Impairment on financial instruments	(40.63)
	Interest income on loans	(6,245.21)
	Interest income received on loans	6,302.92
	Net loss on derecognition of financial instruments under amortised cost category	46.72
	Interest income on Fixed Deposits	(379.57)
	Interest on Unwinding of Security Deposit	(0.33)
	Finance Cost	4,178.27
	Finance Cost Paid	(4,182.94)
	Net Gain on Fair Value changes	(16.01)
	Provision for Employee benefit expenses	168.27
	Operating cash flows before working capital changes	**215.17**
	(Increase) / decrease in other assets	681.90
	Increase in Trade Payables	40.10
	Increase in other liabilities and provisions	(590.90)
	Cash generated from operations	**346.27**
	Income taxes paid	131.41
	Cash generated from operating activities after tax paid	**477.69**
	Loan Repayment / (Disbursement) (Net)	(5,012.78)
	Net cash (used in)/generated from operating activities (A)	**(4,535.09)**
(B)	**Cash flows from investing activities**	
	Purchase of Property, Plant, Equipment	(31.87)
	Initial direct expenses incurred for Lease	-
	Purchase of Intangible Assets / Intangibles under development	-
	Proceeds from Sale of Property, Plant and Equipment	-
	Proceeds from Sale of Investments	50.00
	Purchase of Equity Shares	-
	Proceeds from purchase and sale of units of mutual funds (Net)	17.20
	Interest received on Fixed Deposit and Other Investments	423.32
	Bank deposit/Margin money placed	(1,380.40)
	Bank deposit/Margin money released	899.05
	Proceeds from Redemption of Investment in Preference Shares	-
	Net cash (used in)/generated from investing activities (B)	**(22.70)**
(C)	**Cash flows from financing activities**	
	Proceeds from issue of Debt Securities	10,817.00
	Repayment of Debt Securities	(1,702.07)
	Proceeds from Other Borrowings	23,111.00
	Repayment of Other Borrowings	(20,099.74)
	Repayment of Lease Liability(including interest on lease liability)	(41.19)
	Net cash generated from financing activities (C)	**12,085.00**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**7,527.20**
	Cash and cash equivalents at the beginning of the Year	4,410.88
	Cash and cash equivalents Acquired in Business Combination	619.90
	Cash and cash equivalents at the end of the Year	**12,557.98**

Cash Flow Statement has been prepared using Indirect Method Prescribed under IND AS 7.
See accompanying notes to the Consolidated financial statements in terms of our report attached

For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A Equity Share Capital

Particulars	**For the Year Ended March 31, 2023**	
	No. of Shares	**Rs.In Lakhs**
Balance at the beginning of the reporting period	6,60,29,214	6,602.92
Changes during the year	-	-
Balance at the end of the reporting period	**6,60,29,214**	**6,602.92**

B Other Equity **(Amount Rs. in Lacs)**

	Reserves and Surplus						
Particulars	**Statutory Reserves***	**Securities Premium**	**Retained Earnings**	**Stock options otstanding account**	**Equity Instruments through Other**	**Non Controlling Interest**	**Total**
Balance as at 1 April 2022	**374.95**	**3106.09**	**(689.98)**	**14.75**	**(11.10)**	**-**	**2794.71**
On acquisition of Subsidiary	-	-	-	-	-	859.60	**859.60**
Net Profit for the year		-	245.50	-	-	8.94	**254.44**
Transferred from Retained earnings to Statutory Reserves*	49.10	-	(49.10)	-	-	-	**-**
Remeasurement of the net defined benefit liability/asset(net of tax)		-	9.99	-	-	0.20	**10.19**
Movement during the year		(2.11)	-	126.04	-		**123.93**
Balance as at 31 March 2023	**424.05**	**3103.98**	**(483.58)**	**140.79**	**(11.10)**	**868.74**	**4042.88**

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

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

For Manubhai & Shah LLP
Chartered Accountants
(FRN 106041W/W100136)

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

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

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Independent Director
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Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023

1 Group overview

Ananya Finance for Inclusive Growth Private Limited (the 'Parent Company') is a Private limited company domiciled in India and is incorporated under the provisions of the Companies Act. In Current Year, the Parent Company is regulated as a Non-Systemically Important Non-Deposit Taking Non-Banking Finance Company registered with RBI.

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

2 Basis of Preparation and Presentation of Consolidated Financial Statements

2.1 Statement of compliance

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

2.2 Principles of consolidation

The consolidated financial statements relate to the Parent Company and its subsidiary (hereinafter referred to as the 'Group'). The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements have been prepared in accordance with principles and procedures laid down in Indian Accounting Standard - 110 "Consolidated Financial Statements" as specified in Section 133 of the Companies Act, 2013 read with with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to, in the same manner as the Parent Company's separate Financial Statements.

The financial statements of the Company and its subsidiary have been consolidated to the extent possible on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions. The difference between cost of investments in the subsidiary company and holding company's share of Net Assets at the time of acquisition of shares in subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

Goodwill arising on consolidation is not amortised, however it is tested for impairment annually.

The subsidiary included in consolidation is Prayas Financial Services Private Limited and the parent company's beneficial holding therein is 55.47%.

2.3 Basis of measurement

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

2.4 Measurement of fair values

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

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

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

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

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

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

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

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

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

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2.5 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.

Foreign Currency Transaction and Balances

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

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

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

2.6 Use of estimates and judgements

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

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

2.6.1 Useful lives of property, plant and equipment:

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

2.6.2 Effective Interest Rate (EIR) Method:

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

2.6.3 Impairment of Financial Assets:

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

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

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

2.6.4 Impairment of non-financial assets:

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

2.6.5 Employee benefits:

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

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2.6.6 Expense Provisions & contingent liabilities:

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

2.6.7 Deferred tax :

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

2.6.8 Presentation of Consolidated financial statements :

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

3 Significant Accounting Policies

3.1 Revenue Recognition

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

Interest income

Interest income is recognised using effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, if any, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of Profit and Loss.

Dividend

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

Assignment transactions

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

Gain or loss on derecognition of financial assets

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

Other Income

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

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3.2 Property, plant and equipment

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

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

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

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

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

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

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

Asset Class	Estimated Useful Life adopted by Company	Estimated Useful Life as per Schedule II
Furniture & Fixtures	3-4 Years	10 Years
Vehicles	4 Years	8-10 Years
Office Equipments	5 Years	5 Years
Computers	3 Years	3 Years

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

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

3.3 Intangible assets

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

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

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development".
Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

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

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

3.4 Financial Instruments

3.4.1 Recognition and Initial Measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.
All financial assets and liabilities are recognized at fair value on initial recognition.

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

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

3.4.2 Classification and Subsequent measurement

a Non-derivative financial instruments

i Financial assets carried at amortized cost

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

ii Financial assets at fair value through other comprehensive income

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

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

iii Financial assets at fair value through profit or loss

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

iv Financial liabilities

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

b Equity instruments

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

c Instruments entirely equity in nature

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

3.4.3 Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

3.4.4 Off-setting

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

3.4.5 Modification

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

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

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3.5 Income tax

Income tax expense comprises current tax and deferred tax.

3.5.1 Current Tax

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

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

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

3.5.2 Deferred Tax

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

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

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

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

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

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

3.6 Impairment

3.6.1 Financial assets

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

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

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

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

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

Stage 1: 12-months ECL

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

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD more than 30 days but less than or equal to 89 days are classified as

Stage 3: Lifetime ECL – credit impaired

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

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

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

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

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

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

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

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

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

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

3.6.2 Non-financial assets

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

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

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

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

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

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3.7 Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

All other borrowing costs are expensed in the year they occur.

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.8 Employee Benefits

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

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

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

3.9 Provisions

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

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

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

3.10 Contingent Liability

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

3.11 Contingent Asset

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

3.12 Cash and cash equivalent

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

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3.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.14 Lease

As a lessee, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise the Fixed payments, including in-substance fixed payments.
The lease liability is measured at amortised cost using the effective interest method. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets as separate line item in Non-current Assets and lease liabilities in Financial Lease obligation in the balance sheet.

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

3.15 Cash Flow Statement

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

3.16 Segment Reporting

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

3.17 Share-based Payments

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

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

3.18 Securities issue expenses

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

3.19 Events after reporting date

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

3.20 Recent Accounting Pronouncement:

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

Ind AS 1 – Presentation of Financial Statements

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

Ind AS 12 – Income Taxes

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

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

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

Ananya Finance for Inclusive Growth Private Limited
CIN : U65993GJ2009PTC056691
Notes to the Consolidated Financial Statement for the year ended March 31, 2023

(Amount Rs. in Lacs)

Note	Particulars	As At March 31, 2023
4	**Cash and Cash Equivalents**	
4.1	Cash on hand	0.07
4.2	Balances with Banks;	
	In current accounts	2,984.02
	In bank deposits (with original maturity of three months or less)	9,573.89
		12,557.91
	Total	**12,557.98**
5	**Bank Balance other than (a)**	
	Bank deposit	
	(with original maturity of more than three months)	1,543.06
	Total	**1,543.06**

Note : Bank deposits
Includes the current Year Rs.1471.15 Lakh held as margin money against loans availed by the Group.

Note	Particulars	As At March 31, 2023
6	**Loans**	
A)	**Loans (at amortised cost):**	
	i) Term loans	35,507.68
	ii) Microfinance loan	1,895.85
	ii) Others - Loan to Employees	4.50
	Total (Gross) - A	**37,408.03**
	Less : Impairment loss allowance	784.72
	Total (Net) - A	**36,623.31**
B)	i) Secured by Books Debts (Refer note 6.1)	7,031.45
	ii) Covered by bank / Government guarantees	
	iii) Unsecured	28,477.56
	Total (Gross) - B	**35,509.01**
	Less : Impairment loss allowance	757.76
	Total (Net) - B	**34,751.25**
C)	**i) Loans in India**	
	a) Public Sector	-
	b) Others	37,408.03
	Total (Gross) - C	**37,408.03**
	Less : Impairment loss allowance	757.76
	Total (Net) - C (i)	**36,650.27**
	ii) Loans outside India	-
	Less : Impairment loss allowance	-
	Total (Net) - C (ii)	-
	Total (Net) - C (i+ii)	**36,623.31**

Note 6.1 As per the terms of the contract with borrowers, the Group has first and exclusive charge on the book debts of the borrower, equitable mortgage of property, hypothecation of assets, personal guarantee, corporate guarantee, security deposit etc.
Note 6.2 There is no Loan Asset measured at FVTOCI or FVTPL or designated at FVTPL.

Note	Particulars	As At March 31, 2023
7	**Investments**	
	At Amortised Cost	
	Preference Shares (Unquoted)	70.19
	Sub Total (A)	**70.19**
	Fair value Throughprofit or loss	
	Mutual funds (Quoted)	-
	Sub Total (B)	-
	Fair value Through OCI	
	Equity Shares (Unquoted)	250.00
	Sub Total (C)	**250.00**
	Gross Total (A)	**320.19**
	Less:- Allowance for Impairment Loss	
	Preference Shares (Unquoted)	70.19
	Total – Net Investments (A)	**250.00**
	(i) Investments outside India	-
	(ii) Investments in India	320.19
	Gross Total (B)	**320.19**
	Less:- Allowance for Impairment Loss	
	Preference Shares (Unquoted)	70.19
	Total – Net Investments (B)	**250.00**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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(Amount Rs. in Lacs)

7.1 **Breakup of Investments:**

Particulars	March 31, 2023	
	No. / Units	Amount
Preference Shares		
Optionally convertible cumulative redeemable preference shares of Rs.10 each of Asmitha Microfin Limited	7,01,930.00	70.19
Equity Shares		
Equity shares of Rs. 10 each of Uttrayan Financial service Private Limited	2,94,117.00	250.00
Sub Total (A)		**320.19**
Less: Allowance for Impairment Loss (B)		(70.19)
Total (A - B)		**250.00**

Note	Particulars	As At March 31, 2023
8	**Other Financial Assets**	
	Unsecured and Considered Good	
	Rental Deposits	5.72
	Security Deposit With BC Partner	5.63
	Receivable from BC Partner	4.00
	Interest Spread on Assignment	48.94
	Fees Receivable	71.66
	Other Receivable	257.68
	Total (A)	**393.63**
	Unsecured and Considered doubtful	
	Security Deposit with BC Partner	29.54
	Receivable from BC Partner	90.52
	Less: Provision for Doubtful Receivable	(120.06)
	Total (B)	-
	Total (A+B)	**393.63**
9	**Other Non Financial Assets**	
	Prepaid Expenses	37.88
	Staff Advances	1.64
	Total	**39.52**

Note	Particulars	For the year ended March 31, 2023
10	**Significant component of income tax expenses for the year ended March 31,2023 are as under:**	
	Current income tax	29.42
	MAT Credit Utilization	53.04
	Deferred tax due to origination of temporary difference	(32.90)
	Adjustments of earlier year tax	7.01
	Total	**56.57**
10.1	**Amounts recognised in other comprehensive income(OCI)**	
	(A) Remeasurements of defined benefit liability/ (asset)	
	Before Tax	13.95
	Tax Expense	(3.76)
	Net of Tax	**10.19**
	(B) Provision on Equity Investment (FVOCI)	
	Before Tax	-
	Tax Expense	-
	Net of Tax	-
	Total(A+B)	**10.19**
10.2	**The details of income tax assets and liabilities and Deferred tax liabilities/asset :**	
	Advance Income Tax	1,264.54
	Income Tax Provisions	(513.42)
	Tax Recoverable (net)	**751.12**
	Deferred Tax (Liabilities) / Assets (Net)	379.00
	Tax Credit Entitlement under MAT	33.68
	Total	**412.68**

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS

(Amount Rs. in Lacs)

Note	Particulars	As at 31st March, 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	MAT credit utilisation	As at 31st March, 2023
10.3	**Deferred Tax Assets / (Liabilities)**					
	Tax effect of items constituting deferred tax assets					
	Application of EIR on financial assets	46.15	24.53	-	-	70.68
	Provision for employee benefits	20.58	8.38	(3.76)	-	25.20
	Allowance for ECL	169.71	67.38	-	-	237.09
	MAT credit entitlement	101.64	-	-	(53.04)	48.60
	Property, plant and equipment / Intangible assets	4.86	2.94	-	-	7.80
	Unabsorbed depreciation	-	-	-	-	-
	Preliminory Expense	(0.81)	0.81	-	-	-
	Provision on Expense	31.57	(31.57)	-	-	-
	Others	21.83	1.9	-	-	23.70
		395.52	**74.35**	**(3.76)**	**(53.04)**	**413.07**
	Tax effect of items constituting deferred tax liabilities					
	Depreciation & Amortization on property, plant and equipment / Intangible assets	**2.59**	**(2.20)**	-	-	**0.39**
	Others					
	Net Deferred Tax Assets	**392.93**	**76.55**	**(3.76)**	**(53.04)**	**412.68**

Note	Particulars	For the year ended March 31, 2023
10.4	**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:**	
	Accounting Profit Before tax	311.01
	Normal / MAT tax rate	27.82%
	Tax liability on accounting profit	**86.52**
	Tax Effect of Non deductible Expenses	41.77
	Tax Effect of Deductible Expenses	(28.15)
	Carried forward losses	(13.48)
	Deferred tax on temporary differences	(76.55)
	Adjustment of earlier year tax	7.01
	Difference on account of different tax rates	39.45
	Total income tax expense	**56.57**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

11 Property Plant and Equipments

(Amount Rs. in Lacs)

Particulars	Gross block					Depreciation				Net block
	As at March 31, 2022	Additions through Business Combinations	Additions	Disposals	As at March 31, 2023	As at 31st March, 2022	For the year	Disposals	As at 31st Mar 2023	As at 31st Mar 2023
Furniture and fixtures	32.09	6.10	2.16	-	40.34	13.61	8.52	-	22.13	18.22
Office equipment	22.40	4.97	5.37	-	32.74	11.58	5.29	-	16.86	15.88
Computer	29.87	17.07	24.34	-	71.28	17.23	15.20	-	32.43	38.85
Electrical Installations	3.41	-	-	-	3.41	1.41	0.85	-	2.27	1.14
Leasehold Improvements	18.39	-	-	-	18.39	3.04	1.84	-	4.88	13.51
Vehicles	9.79	6.97	-	-	16.76	0.62	3.37	-	3.99	12.77
Total	115.95	35.11	31.87	-	182.93	47.48	35.07	-	82.55	100.37

12 Other Intangible Assets

Particulars	Gross block					Depreciation				Net block
	As at March 31, 2022	Additions through Business Combinations	Additions	Disposals	As at March 31, 2023	As at 31st March, 2022	For the year	Disposals	As at 31st Mar 2023	As at 31st Mar 2023
Software	8.50	11.51	-	14.87	5.14	7.89	2.73	5.71	4.91	0.23
Total	8.50	11.51	-	14.87	5.14	7.89	2.73	5.71	4.91	0.23

12.1 Intangible Assets Under Development

Particulars	As at March 31, 2023
Intangible Assets Under Development	32.68
Total	32.68

12.1.1 Aging of Intengible asset under development

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Projects in progress	-	8.68	8.18	15.82	32.68
Projects temporarily suspended	-	-	-	-	-

12.1.2 Intangible assets under development whose completion is overdue to its original plan :

As at March 31, 2023

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	32.68	-	-	-

13 Right of use assets

Particulars	Buildings
As at 31st March, 2022	141.51
Addition during the year	211.62
Amortisation for the Year	(25.71)
As at 31st March, 2023	327.42

Goodwill

Particular	As at March 31, 2022	Addition*	Disposals	As at March 31, 2023
Goodwill	-	189.16	-	189.16

* Goodwill arising on account of consolidation

Note : As required by Indian Accounting Standard 36, Goodwill is tested for impairment as at March 31, 2023. However, recoverable amount exceeds the carrying value of goodwill and hence no impairment is recorded in statement of P&L.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Amount Rs. in Lacs)

Note no.	Particulars	As At March 31, 2023
14	**Trade Payables**	
	(i) total outstanding dues	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.45
	Total	**143.45**

14.1 **Trade Payables ageing schedule**

As at March 31, 2023

(Amount Rs. in Lacs)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	-	-	-	-
Others	143.45	-	-	-
Disputed Dues- MSME	-	-	-	-
Disputed Dues- Others	-	-	-	-
Total	**143.45**	-	-	-
Unbilled	-	-	-	-
Not Due	-	-	-	-
Grand Total	**143.45**	-	-	-

Note no.	Particulars	As At March 31, 2023
15	**Lease Obligation**	
	Lease liabilities	355.85
	Total	**355.85**
16	**Other Financial Liabilities**	
	(a) Interest accrued but not due on borrowings	335.73
	(b) Security Deposits (refer note 16.1)	1,950.70
	(c) Employee's Dues Payable	60.91
	(d) Other Liability	61.13
	Total	**2,408.47**

16.1 The Parent company accept security deposits up to 10 percent of the loan amount for the full tenure of the loan against the loan disbursed under wholesale finance and under BC/Colending Partnership.

Note no.	Particulars	As At March 31, 2023
17	**Provisions**	
	Provision for employee benefits	
	(i) Compensated absences	84.43
	(ii) Performance linked incentive	8.49
	(iii) Gratuity (funded)	18.65
	Total	**111.57**
18	**Other Non-financial liabilities**	
	(a) Advance from customers	4.51
	(b) Statutory Remittances	56.04
	(c) Other Liability	0.08
	Total	**60.63**
19	**Debt Securities**	
	Non-Convertible Debentures (At Amortised Cost)	12,817.00
	Less: Unamortised Debenture Issue Expense	(63.76)
	Total (A)	**12,753.24**
	Debt Securities in India	10,556.60
	Debt Securities outside India	2,196.64
	Total (B)	**12,753.24**

Details of Securities

Name of the Debenture Holder	As at 31st March 2023	Residual Maturity	Rate of Interest
UTI International Wealth Creator	2,250.00	1-3 Years	12.29%
Union Bank of India	2,500.00	Less Than 12 Months	11.00%
Gojo & Company Inc.	2,200.00	1-3 Years	11.75%
Northern Arc Capital Limited	2,000.00	1-3 Years	14.50%
Promising Lenders Fund	2,200.00	1-3 Years	13.80%
Vivrithi Samarth Bond Fund	1,000.00	1-3 Years	13.80%
Retail Investors	667.00	1-3 Years	12.00%
Total (A)	**12,817.00**		
Unamortised Transaction Costs(B)	(63.76)		
Total (A)+(B)	**12,753.24**		

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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Notes to the Consolidated Financial Statement for the year ended March 31, 2023

(Amount Rs. in Lacs)

Note no.	Particulars	As At March 31, 2023
19	**Borrowings (Other than Debt Securities)**	
	(a)Term loans (Secured)	
	(i)from banks (At Amortized Cost)	5,525.12
	(ii)from other parties (At Amortized Cost)	18,544.26
	Less: Unamortised transaction costs_Borrowings	(191.75)
	Less: Emi Paid In Advance	(3.50)
	Total	23,874.13
	(b) Borrowing under Securitization	2,871.57
	Less: Unamortised transaction costs_Borrowings	(4.12)
	Total	2,867.45
	(C)Loans repayable on demand	
	(i)from banks (At Amortized Cost)_on demand	0.57
	(i)from other parties (At Amortized Cost)_on demand	-
	Total (A)	26,742.15
	Borrowings in India	26,742.15
	Borrowings outside India	-
	Total (B)	26,742.15

Terms and Conditions of Borrowings

Name of the lender	As At March 31, 2023	Residual Maturity	Rate of Interest
Secured term loans from banks (Refer Note 19.1)			
State Bank of India	2,820.00	1-3 Years	11.90%
Union Bank of India	-	Less Than 12 Months	9.70% - 10%
Bandhan Bank Ltd	1,189.96	1-3 Years	12.50%
IDFC First Bank Ltd	1,515.15	1-3 Years	12.5% - 12.90%
National Bank for Agriculture and Rural	-	-	8.80%
Total (A)	**5,525.11**		
Secured loan from others (Refer Note 19.1)			
Nabkisan Finance Ltd	1,341.62	1-3 Years	11.5% - 14.00%
Nabard Financial Services Limited	-	-	13.50% - 13.75%
Micro Units Development & Refinance Agency	-	-	11.50%
Vivriti Capital Private Limited	3,483.33	1-3 Years	14.00% - 14.90%
Eclear Leasing & Finance Pvt Ltd	298.82	Less Than 12 Months	14.50%
Caspian Impact Inv Pvt Ltd	-	-	
MAS Finance Services Ltd	3,383.33	1-3 Years	13.00% - 13.50%
Western Capital Advisors Pvt ltd	-	-	14.00%
Nabsamruddhi Finance Limited	1,022.04	1-3 Years	12.50%
Maanveeya Development & Finance Pvt.ltd.	3,375.00	More Than 3 Years	13.10% - 16.50%
Samunnati	248.50	Less Than 12 Months	14.00%
Northern Arc Capital Limited	284.33	Less Than 12 Months	14.80% - 15.20%
Incred Finance	1,139.47	1-3 Years	13.75% - 14.00%
MAS Financal Service Limited (PTC-1)	-	-	12.00%
MAS Financal Service Limited (PTC-2)	-	-	12.00%
MAS Financal Service Limited (PTC-3)	230.15	Less Than 12 Months	12.50%
MAS Financal Service Limited (PTC-4)	332.46	Less Than 12 Months	12.35%
MAS Financal Service Limited (PTC-5)	1,072.51	Less Than 12 Months	12.35%
MAS Financal Service Limited (PTC-6)	1,236.48	1-3 Years	12.45%
Nabfins Ltd	291.12	1-3 Years	13.75%
Oxyzo Financial Services Pvt. Ltd	1,793.75	1-3 Years	13.80% - 13.90%
Manappuram Finance Ltd.	1,200.00	1-3 Years	13.50%
SIDBI	-		
Incred Financial Services Limited	200.00	1.5 Years	14.75%
Vivitri Capital	458.33	2 Years	15.00%
Arohan Finance	10.33	0.25 Years	14.00%
Usha Finance	10.77	0.25 Years	16.50%
Total (B)	**21,412.36**		
Unamortised Transaction Costs (C)	**(195.87)**		
Total (A + B + C)	**26,741.59**		

19.1 Secured loans are Secured by way of Fixed deposit, Units of Mutual Fund and exclusive charge created against book debt.

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

20 Share capital

Particulars	(Amount Rs. in Lacs) As at March 31, 2023
Authorised:	
Class A : 13,50,00,000 Equity Shares of Rs. 10 each.	13,500.00
Class B : 1,00,00,000 Equity Shares of Rs. 10 each	1,000.00
5,50,00,000 Preference Shares of Rs. 10 each	5,500.00
Total	**20,000.00**
Issued, subscribed and paid-up:	
6,60,29,214 Equity Shares of Rs. 10 each Class A, fully Paid-up	6,602.92
Total	**6,602.92**

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

Particulars	As at March 31, 2023	
	Number of Shares	Amount (Rs.)
Equity Shares		
At the Commencement of the year	6,60,29,214	6,602.92
Preference shares converted into Equity Shares during the year-Gojo & Company Inc	-	-
Movement During the year	-	-
Total Equity Shares at the end of the year	**6,60,29,214**	**6,602.92**

20.2 Rights, Preferences and restrictions attached to Equity Shares

1. The Parent company has two class of Equity Shares having a par value of Rs. 10 per Equity Share. All Equity Shares rank equally with regard to dividends and share in the Parent company's residual assets. Class A Equity Shares have all rights and privileges available to an ordinary Equity Shareholder. Class B Equity Shares entitle its holders, over and above all rights and privileges available to an ordinary Equity Shareholder, also to a special right with respect to the Bonus Equity Shares allotted by the Parent company from time to time.

2. The Equity Shares are entitled to receive dividend as declared from time to time subject to payment of dividend to Preference Shareholders.

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

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

Name of the Shareholder	As at 31st March, 2023	
	Number ofShares	% of holding
Class A		
Gojo & Company Inc.	4,64,63,079	70.37%
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	36,91,570	5.59%
Stichting Capital 4 Development	1,57,81,701	23.90%
Total	6,59,36,350	99.86%

20.4 Shares held by promoters:

As at 31st March, 2023

Promoter name	No. of Shares	% of total shares	% change during the year
Biswaroop Das	910.00	0.001%	0%
Jayshree Vyas	910.00	0.001%	0%
Indian Foundation for Inclusive Growth	36,91,570.00	5.59%	0%
Gojo & Group Inc.	4,64,63,079.00	70.37%	0%

**** The shares have been transmitted to Mr. Biswaroop Das vide Board Resolution dated 25th June 2020**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

20.5 Aggregate number of Shares issued other than cash by the Parent Company, during the period of 5 years immediately preceding the reporting date

Particulars	Fully paid up Equity Shares issued as bonus Shares.
Aggregate No. of Share as at31st March 2022	1,44,62,605
Aggregate No. of Share as at31st March 2021	1,44,62,605
Aggregate No. of Share as at31st March 2020	1,44,62,605
Aggregate No. of Share as at31st March 2019	1,44,62,605
Aggregate No. of Share as at31st March 2018	1,17,31,299

Note:- On 18th December 2018, the Parent company issued 27,31,306 bonus Shares to Class B Equity Shareholders in the ratio of 1.5 Shares for every 1 Share held by the Shareholders.

21 Other Equity

Particulars	As At March 31, 2023
Statutory Reserves	
Opening Balance	**374.95**
Transferred from Retained earnings to Statutory Reserves	49.10
Closing Balance	**424.05**
Securities Premium	
Opening Balance	**3,106.09**
Net Profit for the year	
Movement during the year	(2.11)
Closing Balance	**3,103.98**
Retained Earnings	
Opening Balance	**(689.98)**
Net Profit for the year	245.51
Transferred from Retained earnings to Statutory Reserves	(49.10)
Remeasurement of the net defined benefit liability/asset(net of tax)	9.99
Closing Balance	**(483.58)**
Stock options otstanding account	
Opening Balance	**14.75**
Movement during the year	126.04
Closing Balance	**140.79**
Equity Instruments through Other Comprehensive Income (net of tax)	
Opening Balance	(11.10)
Movement during the year	-
Closing Balance	**(11.10)**
Total	**3,174.14**

Description of the nature and purpose of Other Equity :

a Statutory reserve

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

b Securities premium

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

c Retained earnings

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

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Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
Notes to the Consolidated Financial Statement for the year ended March 31, 2023

(Amount Rs. in Lacs)

Note no.	Particulars	For the Year Ended March 31, 2023
22	**Interest Income**	
	On Financial Assets measured at Amortized Cost	
	Interest on Loans	6,204.10
	Interest on deposits with Banks	370.89
	Interest on Unwinding of Security Deposit	0.33
	Total	**6,575.33**
22.1	**Fees & Commission Income**	
	Particulars	
	Commission Income	284.45
	Total	**284.45**
23	**Net gain on fair value changes**	
	Net Gain on financial instruments at fair value through profit or loss	
	On Trading Portfolio	
	- Investments	16.01
		16.01
	Fair Value Changes:	
	(i) Realised	17.20
	(ii) Unrealised	(1.19)
	Total	**16.01**
24	**Net Gain / (Loss) on derecognition of financial instruments under amortised cost category**	
	On Financial Assets measured at Amortized Cost	
	Bad debts written off (net)	(95.66)
	Gain on Cashflow Modification Loan Portfolio	48.94
	Total	**(46.72)**
25	**Other Income**	
	Interest on Income Tax Refund	25.28
	Miscellaneous Income	27.42
	Gain on Sale of property, plant and equipment	-
	Interest on Staff Loan	0.32
	Total	**53.03**
26	**Finance Costs**	
	On Financial Liabilities measured at Amortised Cost	
	Interest on borrowings other than debt securities	2,730.44
	Interest on debt securities	1,245.96
	Interest on Other Financial Liabilities (Security Deposit)	154.34
	Interest expense on Lease Liabilities	30.16
	Other borrowing cost	17.36
	Total	**4,178.27**
	Note:- There is no financial liability measured at FVTPL.	
27	**Fees and Commission Expense**	
	Service Fees	491.00
	Total	**491.00**
28	**Impairment on financial instruments/(Reversal of Impairment)**	
	Loans (At Amortized Cost)	(40.63)
	Total	**(40.63)**

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

(Amount Rs. in Lacs)

Note no.	Particulars	For the Year Ended March 31, 2023
29	**Employee Benefits Expenses**	
	Salaries and wages	1,089.03
	Contribution to provident and other funds	66.70
	Contribution to Gratuity Fund	24.31
	Share based payments to employees	126.03
	Compensated Absences	32.32
	Staff welfare expenses	17.36
	Total	**1,355.76**
30	**Other expenses**	
	Rent, taxes and energy costs	65.74
	Repairs and maintenance	8.15
	Communication Costs	17.02
	Printing and stationery	6.46
	Advertisement and publicity	6.75
	Director's fees, allowances and expenses	12.09
	Auditor's fees and expenses	28.73
	Legal and Professional charges	146.27
	Insurance	5.08
	Software Expense	50.09
	Office Expenses	51.09
	Travelling Expenses	94.51
	Miscellaneous Expense	30.20
	Donation Expense	1.00
	Total	**523.18**

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

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023
Net profit/(loss) for the year for basic EPS	254.44
Net profit/(loss) for the year for diluted EPS	380.48
Weighted average no. of shares (In nos.) for basic EPS	660.29
Additional shares granted under ESOP scheme (In nos.)	60.21
Weighted average no of shares for diluted EPS	720.50
Face value of equity shares	10.00
Earning Per Share (Basic)	**0.39**
Earning Per Share (Diluted)	**0.39**

32 Contingent liability (Amount Rs. in Lacs)

Particulars	As at March 31, 2023
Claims against the Parent Company acknowledge as debt - Income Tax (Refer	881.66

Note :

The Parent Company had claimed depreciation on Goodwill as per the provisions of Income-tax Act, 1961 (Act) during financial years 2011-2012 to 2020-2021 in the Income Tax Returns. The Income-tax authorities had disallowed Parent Company's claim and had raised income-tax demand of Rs. 881.66 Lacs which was adjusted out of refunds receivable by the Parent Company. The Parent Company had disputed the demand by filing appeal before CIT(A) who had decided the matter against the Parent Company and thereafter, the Parent Company had approached Income Tax Appellate Tribunal (ITAT).

During the year under audit, ITAT has upheld the decision of CIT(A) of disallowing Parent Company's claim for Assessment Year 2011-2012 for depreciation on Goodwill. The Parent Company has filed Miscellaneous Application u/s. 254(2) of Income-tax Act, 1961 before ITAT within the time line prescribed under the Act. Further the Parent Company's appeal with ITAT in respect of Assessment Year 2011-12 to 2016-17 (Except AY 2015-16), in the similar matter is pending for hearing.

In respect of this, based on the Legal Opinion and considering the available options under the provisions of Income-tax Act, 1961,the Parent Company is of the view that the Parent Company's appeal to allow depreciation will be judged favorably by the appellate / judicial authority. Therefore, no provision is required to be made in respect of disputed tax demand of Rs. 881.66 Lacs.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

33 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The CODM considers the entire business of the Group on a holistic basis to make operating decisions reviews the operating results of the Group as a whole. Further the Group operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and is considered to be the only reportable business segment. Further, The Group is operating in India which is considered as a single geographical segment.

34 Leases

The Group has taken office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. The Group has given refundable interest free security deposits in accordance with the agreed terms. All the leases of the Group are short term lease (i.e. tenure of less than 1 year) except one lease of Parent Company with a tenure of 10 years and a lock in of 6 years and one lease of the subsidiary company with a tenure of 9 years and a lock in of 3 years. Maturity Analysis of such lease is as stated below :

Maturity Analysis of Lease Liabilities (Amount Rs. in Lacs)

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

Lease Liability movement (Amount Rs. in Lacs)

Particulars	Lease Liability
As at March 31, 2022	161.61
Addition during the year	204.52
Interest on Lease Liability	30.16
Lease rent paid for the year	(40.45)
As at March 31, 2023	355.85

Amount Recognised in Statement of Profit & Loss (Amount Rs. in Lacs)

Particulars	For the Year ended March,31, 2023
Interest on Lease Liabilities	30.16
Amortisation of ROU Assets	25.71
Expense related to Short-term Leases	52.53

Amount Recognised in Statement of Cash Flows (Amount Rs. in Lacs)

Particulars	For the Year ended March,31, 2023
Under Financing activities (Repayment of lease liability)	41.19
Under Operating activities (Short term leases)	52.53
Total cash outflow for leases	93.72

Lease Commitments for short-term leases

The Group has entered into Short term leases for office premises, tenure of which is less than a year. There are no obligations or commitments with reference to such short term leases as at reporting date as such leases are cancellable at the discretion of lessee i.e. the Group.

35 Related party disclosures

35.1 Related party

a) Ultimate Holding Company

Gojo & Company Inc.

b) Entity over which Ultimate Holding Company has significant influence

Satya Micro Capital Ltd

c) Entity having significant influence over the Parent company

Stichting Capital 4 Development

d) Name of Key Management Personnel of Group:

For Parent company:

1	Gaurav Gupta	Managing Director
2	Pranav Desai	Chief Financial Officer
3	Lavina Parikh	Company Secretary (Upto February 14, 2023)
4	Divya Rathi	Company Secretary (w.e.f.February 15, 2023)

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

d) Name of Key Management Personnel of Group: (Contd)
For Subsidiary Company:

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

e) Relative of KMP

Sunitaben Rawal	Relative of Director

f) Enterprises over which KMP have significant infulence

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

35.2 Particulars of related party transactions

(Amount Rs. in Lacs)

Name of the related party And Nature of transaction	For the Year ended March 31, 2023
Gaurav Gupta	
Salary	53.82
Pranav Desai	
Salary	45.86
Bhadreshkumar Keshavlal Rawal	
Payment of Remuneration	0.97
Issue of Equity Share	50.00
Payment of Professional Fees	20.37
Lavina Parikh	
Salary	8.53
Leave Encashment	0.84
Divya Rathi	
Salary	2.15
Satya Micro Capital Limited	
Commission Expenses	1.49
Security Deposit Repaid	1,000.28
Security Deposit Adjusted	205.00
Interest Expense on Security Deposit	86.95
Gojo & Company Inc.	
Issue of Non Convertible Debenture	2,200.00
Interest Expense on Non Convertible	213.62
Sunitaben Rawal	
Rent Expense	1.50
Prayas Organization For Sustainable	
Commission Income	0.92
Interest Income on Security Deposits	1.14
Security Deposits Received back	78.28
Rent Expense	10.45
Prayas Organization (AOP)	
Loan Taken	325.50
Loan Repaid	1,625.89
Interest Expense on loan	115.56
Prayas Organization For Sustainable Development - Section 8	
Rent Expense	1.50
Chirag Patel	
Remuneration	0.82
Charmi Shah	
Remuneration	1.85
Jyoti Singh Chauhan	
Remuneration	3.70

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

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

35.3 Outstanding Balances :

(Amount Rs. in Lacs)

Name of the related party And Nature of transaction	Closing balance as on March 31 , 2023
Satya Micro Capital Limited	
Security Deposit balance	557.83
Interest Accrued on Security Deposit	28.24
Amount Receivable Under BC Operations	108.08
Commission Expense Payable	0.14
Gojo & Company Inc.	
Interest Payable on Non Convertible Debentures	60.76
Gaurav Gupta	
Deferred Performance Linked Incentives	6.42
Prayas Organization For Sustainable	
Amount receivable in course of Intermediary Services	0.08

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

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

(Amount Rs. in Lacs)

Name of the KMP and Nature of Transanction	For the Year ended March 31, 2023
Gaurav Gupta	
Gross Salary including perquisites	53.82
Bhadresh Rawal	
Gross Salary including perquisites	0.97
Payment of Professional fees	20.37
Pranav Desai	
Gross Salary including perquisites	45.86
Lavina Parikh	
Gross Salary including perquisites	8.53
Leave Encashment	0.84
Divya Rathi	
Gross Salary including perquisites	2.15
Chirag Patel	
Gross Salary including perquisites	0.82
Charmi Shah	
Gross Salary including perquisites	1.85
Jyoti Singh Chauhan	
Gross Salary including perquisites	3.70

36 Share Based Payments

36.1 Stock Appreciation Rights (SAR)

Brief of the Scheme

The Parent Company's SAR plan is a 'performance-based' plan that entitles the current and future employees who meet a certain eligibility criteria to the appreciation in value of Ananya shares over the 'Exercise price' over a specified period of time. The selection of the employees and implementation of the plan shall be done by the HR committee with the required approvals from the Board and the Shareholders.

Plan features:-

Vesting date - The last day of the financial year immediately preceding the date on which the Board approves the SAR.
Base Price - The price at which the last equity investment was made in the 2 financial years ending on the vesting date or
the Book value on the vesting date, whichever is higher.
Term - 7 years from the date of vesting after which the SAR cannot be exercised
Expiry date - 7 years from the date of vesting
Lock-in period - The period of 3 years from the Vesting date during which time the SAR cannot be exercised

Details of SAR Payment

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023
Share based payments to employees	-

Movement of Liability / Provision

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023
Outstanding at the beginning of the Year	8.49
Add: Charged to / (reversal of expense) statement of P&L	-
Less: Liability paid	-
Outstanding at the end of the Year	8.49

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36.2 Employee Stock option plan (ESOP)

The Parent company has also granted 60,20,514 Equity shares to employees under 'Employee Stock Option Plan'. Details of the same as follows:

During the year ended March 31, 2023, the following stock option grants were in operation:

Particulars	Tranche I	Tranche II
Date of Grant	February 14,2022	April 01, 2022
No. of options granted	56,41,774	3,78,740
Method of Settlement	Equity	Equity
Graded Vesting period:		
Day following the completion of 12 months from grant	10.00%	10.00%
Day following the completion of 24 months from grant	20.00%	20.00%
Day following the completion of 36 months from grant	70.00%	70.00%
Exercise Period	36 months from the respective date of vesting	36 months from the respective date of vesting
Vesting conditions	Continued employment/service with the Parent company on relevant date of vesting and on achievement of certain milestones decided by committee apart from this Committee may also specify certain other performance criteria.	Continued employment/service with the Parent company on relevant date of vesting and on achievement of certain milestones decided by committee apart from this Committee may also specify certain other performance criteria.
Average remaining contractual life (Years)	2	2
Average exercise price per option (₹)	20.38	20.38
Fair value of Shares (₹)	20.38	20.38
Value of Option (₹)	5.01	5.01

The expected price volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(Amount Rs. in Lacs)

Particulars	For the Year ended March 31, 2023
Employee Stock Option Plan	
Options outstanding at beginning of the year (No. of Options)	56.42
Granted during the year	3.79
Forfeited during the year	(0.52)
Exercised during the year	-
Expired during the year	-
Outstanding during the year	59.68
Exercisable at the end of the year	-

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023
Stock options outstanding (gross)	282.45
Stock Option Granted during the year	18.97
Stock Option Forfeited during the year	(2.61)
Deferred compensation cost outstanding	(140.81)
Stock options outstanding (Net)	158.01

36.3 Expense arising from share based payment transactions

Total expense arising from share based payment transactions recognised in profit and loss as part of employee benefit expense were as follows:

(Amount Rs. in Lacs)

Particulars	As at March 31, 2023
Employee stock option plan	126.03
Total	**126.03**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

37 Fair Value Measurements:

a) Measurement of fair values:

(i) Levels 1, 2 and 3

Level 1 : Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are included in level 1

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

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

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

b) Accounting classification and fair values

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

Valuation methodologies of financial instruments measured at fair value

Mutual Funds

Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1

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

Loans

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

Borrowings (Other than Debt Securities)

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

Short-term financial assets and liabilities

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

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Investments

The fair value of Investments in preference share approximates the carrying value less impairment while the fair value of Invesment in Equity Shares is considered based on the management's plan of the susequent investment in same equity shares in near future and are classified as level 3

As at March 31, 2023

(Amount Rs. in Lacs)

Particulars	Amortized Cost	FVTPL	FVTOCI	Total	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Cash and cash equivalents*	12,557.98	-	-	12,557.98	-	-	-	-
Other Bank Balance*	1,543.06	-	-	1,543.06	-	-	-	-
Loans	36,623.31	-	-	36,623.31	-	-	36,184.44	36,184.44
Investments		-	250.00	250.00	-	-	250.00	250.00
Other Financial assets*	393.63	-	-	393.63	-	-	-	-
Total Financial Assets	**51,117.98**	**-**	**250.00**	**51,367.98**	**-**	**-**	**36,434.44**	**36,434.44**
Trade Payables*	143.45			143.45	-	-	-	-
Lease liability*	355.85			355.85	-	-	667.73	667.73
Debt Securities*	12,753.24			12,753.24	-	-	12,678.43	12,678.43
Borrowings (Other than Debt Securities)	26,742.15			26,742.15	-	-	25,983.67	25,983.67
Other financial liabilities*	2,408.47			2,408.47	-	-	-	-
Total Financial Liabilities	**42,403.16**	**-**	**-**	**42,403.16**	**-**	**-**	**39,329.83**	**39,329.83**

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

38 Additional Information As Required By Patagraph 2 of The General Instructions For Preparation Of Consolidated Financial Statements To Schedule III to The Companies Act, 2013 As At And For The Year Ended March 31, 2023

(Amount Rs. in Lacs)

Name of The entities	Net Assets (i.e total assets less total liabilities		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Ananya Finance for Inclusive Growth Private limited (Net of Eliminations)	81.69%	8,696.95	92.10%	234.35	95.69%	9.75	92.24%	244.10
II. Subsidiaries								
Prayas Financial Services Private Limited	18.31%	1,948.85	7.90%	20.09	4.31%	0.44	7.76%	20.53
	100.00%	**10,645.80**	**100.00%**	**254.44**	**100.00%**	**10.19**	**100.00%**	**264.63**

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39 Financial Risk Management:

Risk Management

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

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

(A) Credit risk

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

Around 85% of the Group's exposure is either to direct retail borrowers or through other financial intermediaries operating in the Microfinance industry, that lend to women from low-income households. The remaining 15% of its exposure is almost equally divided into two segments – (i) Agrifinance, where the Group supports smallholder farmer collectives (FPO) and Agri-SMEs working with smallholder farmer collectives and (ii) Early-stage MSMEs that work in the impact space including renewable energy, waste management, affordable healthcare and livelihoods.

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

The Group also tries to lower the credit risk by ensuring the portfolio is well-diversified both geographically and client-wise. It has placed various portfolio concentration limits and ensures it adheres to the caps.
The Group reviews the credit quality of its loans based on the ageing of the loan at the period end and takes the same into consideration while calculating its ECL allowances.

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

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

Credit quality analysis

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

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on March 31, 2023
Cash and cash equivalents	-	-	-	12,557.98	12,557.98
Bank Balance other than (a) above	-	-	-	1,543.06	1,543.06
Loans*	35,010.43	25.38	708.73	4.50	35,749.04
Investments	-	-	-	250.00	250.00
Other Financial assets	-	-	-	393.63	393.63

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

Financial assets measured using simplified approach

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

(B) Collateral held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralized against security deposits, equitable mortgage of property, hypothecation of assets, personal guarantees, corporate

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Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
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(C) Impairment Loss

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

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross loan exposure at risk as at 31st March, 2023	35,010.43	25.38	708.73	35,744.54
Expected Credit Loss	179.12	6.85	598.75	784.72
Carrying amount as at 31st March, 2023 (net of impairment provision)	**34,831.31**	**18.53**	**109.96**	**34,959.82**

Reconciliation of Gross Exposure

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross carrying amount balance as at 31st March, 2022	**29,442.03**	**167.17**	**599.03**	**30,208.22**
- New loans disbursed during the year	29,499.03	22.86	200.23	29,722.13
- Loans closed/written off during the year	(15,089.00)	(159.47)	(241.80)	(15,490.27)
- Movement in EAD without change in asset staging	(8,267.54)	(0.14)	8.93	(8,258.75)
- Movement in EAD due to change in asset staging	(574.09)	(5.04)	142.34	(436.79)
Gross carrying amount balance as at 31st March, 2023	**35,010.43**	**25.38**	**708.73**	**35,744.54**

Reconciliation of ECL Balance

(Amount Rs. in Lacs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
ECL Allowance as at 31st March, 2022	**194.58**	**23.72**	**501.67**	**719.97**
- New loans disbursed during the year	156.58	7.17	202.82	366.58
- Loans closed/written off during the year	(107.02)	(20.57)	(241.06)	(368.65)
- Movement in position without change in asset staging	(49.15)	(0.08)	(5.68)	(54.92)
- Movement in position due to change in asset staging	(15.86)	(3.39)	141.00	121.75
ECL Allowance as at 31st March, 2023	**179.12**	**6.85**	**598.75**	**784.72**

(D) Write off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is

(E) Modified financial instruments

For financial assets, such as a loan to a customer, when the term and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognisation), the Group had disclosed modification gain/loss based on discounted cash flows.

(Amount Rs. in Lacs)

Particulars	FY 2022-23
Value of modified assets at the time of modification	-
Value of modified assets outstanding at end of the year	-
Modification loss	-

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Group - Systemically Important Non-Deposit taking Group and Deposit taking Group (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on February 17, 2020)

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(F) Credit risk grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.
The Group has established overall credit limits at the level of individual borrowers and counterparties, and also at the group levels of the Group. It manages and controls credit risk by confining the amount of risk it is willing to accept for Group counterparties, for geographical concentrations, and by closely monitoring such exposures.

Group has a Credit Risk Policy which is Board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly assessed for the following
risk categories:
1. Low Risk
2. Medium Risk
3. High Risk – This category of customers are not actively sourced by the Group. Any customer, assessed as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigants. The extent and nature of due diligence is the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Processing Note by the credit department and validated by the relevant approving authority. The parameters are as follows:
1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Group's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that lays down steps to manage the various risks in the business including Credit risk.
Additionally, the Group evaluates risk based on staging as defined in Ind AS, details of which are mentioned below.

Credit grading details (Amount Rs. in Lacs)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2023	35,010.43	25.38	708.73	35,744.54

(G) Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk

(H) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments and loans.

Within the various methodologies to analyze and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:
- parallel shift of 50-basis points of the interest rate yield curves in major currencies.
- 10% increase / decrease in NAV of all Mutual Funds traded in an active market, which are classified as financial asset
- 10% increase / decrese in fairvalue of investment in equity shares, which are classified as financial asset mesured at

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

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

(i) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities that are exposed to Interest Rate Risk has been

Exposure to interest rate risk **(Amount Rs. in Lacs)**

Floating Rate Borrowings	
Financial Liabilities	13,056.58

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

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

Impact on Profit / (loss) after tax **(Amount Rs. in Lacs)**

Particulars	**For Year Ended 31st March, 2023**
Increase in 50 basis points	(47.12)
Decrease in 50 basis points	47.12

Ananya Finance for Inclusive Growth Private limited
CIN : U65993GJ2009PTC056691
Notes to the Consolidated Financial Statement for the year ended March 31, 2023

(I) Liquidity risk

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

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

(i) Maturities of financial liabilities

(Amount Rs. in Lacs)

Particulars	Carrying amount	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
As at 31st March, 2023									
Financial Liabilities									
Trade Payables	143.45	125.73	2.58	11.88	3.15	0.12	-	-	-
Lease Liability	355.85	1.45	1.46	1.48	4.54	9.68	71.06	94.87	171.31
Debt Securities	12,753.24	91.19	91.19	2,826.75	1,050.70	1,960.17	6,733.25	-	-
Borrowings (Other than Debt Securities)	26,742.15	1,497.51	1,613.75	1,730.03	4,480.94	7,245.78	8,685.12	-	1,489.02
Other financial liabilities	2,408.46	414.74	-	3.30	332.27	346.06	1,277.92	34.17	-
Total	**42,403.16**	**2,130.61**	**1,708.97**	**4,573.43**	**5,871.61**	**9,561.82**	**16,767.35**	**129.03**	**1,660.33**

(ii) Financing arrangements

The Group had not access to any undrawn borrowing facilities at the end of the reporting period

"In order to achieve this overall objective, the Parent company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in financial covenants of Two lenders namely, Incred Financial Services Ltd and Grow Money Capital Private Limited (Formerly known as Eclear Leasing & Finance Pvt Ltd) having total exposure of Rs. 993.65 lakhs in the Parent company but Parent company has received relaxation from the said lenders. Management expects that the Parent company will be able to meet all contractual obligations from borrowings on a timely basis going forward."

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(J) Foreign currency risk

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

(K) Other Price Risk

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

The Group's exposure to asset having price risk is as under.

Particulars	**(Amount Rs. in Lacs)** As at 31st March, 2023
Investments	250.00

Impact on Profit / (loss) after tax	**(Amount Rs. in Lacs)**
Particulars	**For the Year ended 31st March, 2023**
Increase by 10%	18.50
Decrease by 10%	(18.50)

40 **Capital management:**

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

For the purpose of the Group's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

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

41 **Break up of loan portfolio**

Loan Portfolio	**(Amount Rs. in Lacs)** For the Year ended 31st March, 2023
Opening Loan outstanding	32,634.04
Loans disbursed during the Year	46,804.25
DA Pool Purchased (Refer Note below)	
Total (A)	**79,438.29**
Write off	221.01
Loans assigned during the Year (Refer Note below)	613.78
Loans recovered during the year on owned portfolic	41,282.51
Loan portfolio restructured into investments	-
Total (B)	**42,117.30**
Loans outstanding at the end of the year (A-B)	**37,320.99**
Unamortized Transaction Cost	(280.91)
Loans outstanding	**37,040.07**
Assigned Portfolio	55.74
Asset under Management	**37,095.81**

Details of Assignment transactions undertaken by NBFCs:

Particulars	**2022-23**
1 No. of accounts	2,346.00
2 Aggregate value (net of provisions) of accounts sold	613.78
3 Aggregate consideration	609.11
4 Additional consideration realized in respect of accounts transferred in earlier years	-
5 Aggregate gain / loss over net book value	48.94

Purchase of Portfolio

Details of Assignment transactions undertaken by NBFCs:

Parrticulars	**2022-23**
1 No. of Transactions	-
2 Aggregate value (net of provisions) of accounts Purchased	-
3 Aggregate consideration	-
4 Additional consideration realized in respect of accounts transferred in earlier years	-
5 Aggregate gain / loss over net book value	-

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42 Retirement Benefits

a) Employee benefit plans

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

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

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

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

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

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

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

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

Particulars	**For the Year ended 31st March, 2023**
Defined benefit obligation at the beginning of the	73.49
Current service cost	23.41
Interest cost	5.44
Actuarial losses (gains) arising from change in	(12.09)
Actuarial losses (gains) arising from experience	(2.92)
Benefits paid	-
Defined benefit obligation at the end of the year	**87.29**

ii) Movement in fair value of plan assets

Particulars	**For the Year ended 31st March, 2023**
Fair value of plan assets at the beginning of the	50.76
Expected return on plan assets	4.27
Actuarial gains/(losses)	(0.30)
Contributions paid	13.91
Benefits paid	-
Fair value of plan assets at the end of the year	**68.64**

iii) Amount recognised in Balance Sheet :

Particulars	**As at 31st March, 2023**
Defined benefit obligation	87.29
Fair value of plan assets	68.64
Deficit in the plan	**18.65**
Experience. Adjustment On Plan Liabilities	2.92
Experience Adjustment on Plan Assets	(0.30)

iv) Expense recognised in Statement of Profit and Loss

Particulars	**For the Year ended 31st March, 2023**
Current service cost	23.41
Interest on obligation	5.44
Expected return on plan assets	(4.27)
Total included in employee benefits expense	**24.57**

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

Particulars	**For the Year ended 31st March, 2023**
Actual Returns on Plan Assets excluding Interest	0.44
Actuarial Changes Arising from changes in	10.58
Actuarial Changes Arising from Changes in	2.92
Actuarial Changes Arising from Changes in	-
Closing amount recognised in OCI	**13.95**

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vi) Asset / (liability) recognised in balance sheet

(Amount Rs. in Lacs)

Particulars	As at 31st March, 2023
Present value of obligation	87.29
Fair value of plan assets	68.64
Liability/(Asset) recognised in balance sheet	**18.65**

vii) Principal actuarial assumptions

Particulars	For the Year ended 31st March, 2023
Discount Rate	7.40%
Expected return on plan assets	7.40%
Future salary increase	6% - 10%
Retirement Age	60 Yrs
Mortality Rate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	5% to 10%

Projection Risks:

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

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

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

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

viii) Funding Arrangement and Policy

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

ix) Maturity Profile of Defined Benefit Obligations

Particulars	For the Year ended 31st March, 2023
Within the next 12 months (next annual reporting	8.34
Year 2	11.43
Year 3	11.31
Year 4	7.66
Year 5	7.42
more than 5 and upto 10 years	12.30

x) Quantitative sensitivity analysis for significant

Particulars	As at 31st March, 2023
Increase/decrease on present value of defined benefits obligation	
i) 1% increase in discount rate	96.89
ii) 1% decrease in discount rate	124.15
iii) 1% increase in salary escalation rate	123.71
iv) 1% decrease in salary escalation rate	96.99
v) 1% increase in withdrawal rate	108.67
vi) 1% decrease in withdrawal rate	110.01

xi) Contribution for Next 12 Months -

Particulars	As at 31st March, 2023
Contribution for Next 12 Months	8.34

xi) Sensitivity Analysis Method

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

xii) Asset information:

Category of Assets	As at 31st March, 2023
Insurer managed funds	100.00%

xiii) Defined contribution plan

Amount recognised in Statement of Profit and Loss towards	For the Year ended 31st March, 2023
i) Provident fund	66.47
ii) Employee state insurance	0.23
iii) Leave Encashment	32.32
Total	**66.70**

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43 Maturity analysis of assets and liabilities

	Particulars	As at 31st March, 2023		
		Within 12 Months	After 12 Months	Total
	ASSETS			
[1]	**Financial Assets**			
(a)	Cash and cash equivalents	12,557.97	-	12,557.97
(b)	Bank Balance other than (a) above	426.56	1,116.50	1,543.06
(c)	Loans	24,687.27	11,936.03	36,623.31
(d)	Investments	-	250.00	250.00
(e)	Other Financial assets	376.59	17.04	393.63
		38,048.40	**13,319.58**	**51,367.98**
[2]	**Non-financial Assets**			
(a)	Current tax assets (Net)	-	751.12	751.12
(b)	Deferred tax Assets (Net)	-	412.68	412.68
(c)	Property, Plant and Equipment	-	100.37	100.37
(d)	Intangible assets under development	-	32.68	32.68
(e)	Goodwill		189.16	189.16
(f)	Other Intangible assets	-	0.23	0.23
(g)	Right of Use Asset	-	327.41	327.41
(h)	Other non-financial assets	39.52	-	39.52
		39.52	**1,813.65**	**1,853.18**
	Total Assets	**38,087.92**	**15,133.22**	**53,221.16**
	LIABILITIES AND EQUITY			
	LIABILITIES			
[1]	**Financial Liabilities**			
(a)	Payables			
	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.45	-	143.45
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises			
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
(b)	Finance Lease Obligation	18.61	337.24	355.85
(c)	Debt Securities	6,020.00	6,733.24	12,753.24
(d)	Borrowings (Other than Debt Securities)	16,568.00	10,174.15	26,742.15
(e)	Subordinated Liabilities	-	-	-
(f)	Other financial liabilities	1,096.39	1,312.09	2,408.48
		23,846.45	**18,556.72**	**42,403.17**
[2]	**Non-Financial Liabilities**			
(a)	Provisions	0.26	111.32	111.57
(b)	Other non-financial liabilities	60.63	-	60.63
		60.88	**111.32**	**172.20**
[3]	**EQUITY**			
(a)	Equity Share capital	-	6,602.92	6,602.92
(b)	Other Equity	-	3,174.13	3,174.13
(c)	Minority Interest		868.74	868.74
	Total Equity	-	**10,645.79**	**10,645.79**
	Total Liabilities and Equity	**23,907.33**	**29,313.82**	**53,221.16**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

44 Disclosure of Whistle blower Complaints

Particular	March 31 2023
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	-
No. of complaints redressed during the year	-
No. of complaints pending at the end of the year	-

45 Microfinance Loans to Toal Assets

As required by Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, Ratio of Microfinance loans to assets of Subsidiary Company is worked out below :

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

46 Nature of loan portfolio transferred under securitization transaction

During the year 2022-23, Group has entered securitization arrangement with various banks and financial institutions. Under the arrangement Group has transferred a select pool of loan portfolio which was originated in its books after completion of the minimum retention period as prescribed by Reserve Bank of India under its securitization guidelines. Derecognition of pool transferred which does not fulfil the derecognition criteria specified in AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the Group's involvement in these assets is as follows:-
- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties.

46.1 Nature of risk and rewards of ownership to which the entity is exposed

The Group has transferred a part of its portfolio (measured at amortised cost) vide securitisation deals executed with various parties as a source of funds. As per the terms of deal, the derecognition criteria as per Ind As 109 including transaction substantially at the risks and rewards relating assets is being transferred to the buyer being not met, the assets are not derecognized. These transactions are being done as per the guidelines laid down by the Reserve Bank of India.

The arrangement has evaluated the impact of the securitsation transaction executed during the year on its business model. Based on the future business plan, the Group's business model remains to hold assets for collecting contractual cash flows.

46.2 Details of assets transferred, assets continue to recognize and associated liabilities under securitization transactions

(Amount Rs. in Lacs)

Particulars	March 31, 2023
Carrying amount of the original assets before transfer	8,732.69
Carrying amount as at year end	3,102.86
Associated Borrowing oustanding at year end	2,871.57

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

a) No Satisfaction of charges pending to be filed with ROC

b) Not declared as wilful defaulter by any bank or financial Institution or other lender.

c) The Group has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMP's and related parties which are repayable on demand or given without specifying terms or period of repayment.

d) No proceedings have been initiated are pending against the Group for holidng any benami property under the Benami Transaction(Prohibition) act, 1988.

e) Not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

f) Not made any Investment in violation to the provisions related to number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

g) Has not traded or invested in Crypto Currency or Virtual Currency.

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

49 In respect of borrowings on the basis of security of current assets from banks and financial institutions, quarterly returns / statements of current assets filed by the Group with banks and financial institutions were in agreement with the books of accounts.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

50 (a) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51 This being first year of consolidation accounts, previous year figures are not reported.

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Ananya Finance for Inclusive Growth Private Limited

Gaurav Gupta
Managing Director
(DIN 08663203)
Place:Ahmedabad
Date: 16.05.2023

Anjali Choksi
Independent Director
(DIN: 08074336)
Place:Ahmedabad
Date: 16.05.2023

Pranav Desai
Chief Financial Officer
Place:Ahmedabad
Date: 16.05.2023

Divya Rathi
Company Secretary
Place:Ahmedabad
Date: 16.05.2023