

Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

51. Financial risk management

The Company has exposure to the following risks from financial instruments:

- a. Credit Risk
- b. Liquidity Risk
- c. Market Risk
- d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the Company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The Company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the Company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy:

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis:

The Company's policies for computation of expected credit loss (ECL) are set out below:

(I) ECL on Loans and advances

ECL is computed for loans and investments portfolio of the Company:

Loan portfolio:

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default:

A default shall be considered to have occurred when any of the following criteria is met:

- a) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.
- b) If one facility of a borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria:

- (a) External credit rating going below investment grade rating.
- (b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.
- (c) Other qualitative parameters :
 - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.
- (d) Any other qualitative parameter.

Definition of low credit risk:

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

Forward looking factors:

Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria:

Following staging criteria is used for loans:

- (i) Stage 1: 0-30 DPD;
- (ii) Stage 2: 31-90 DPD and
- (iii) Stage 3: > 90 DPD

Any deviation to the above classification, except as per the RBI Circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarification dated November 12, 2021 shall be approved by the audit committee of the board (ACB).



Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

51. Financial risk management (continued)

Probability of default (PD%)

PDs are determined using internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time.

Loss given default (LGD%)

Loss given default (LGD) represents recovery from defaulted assets.

LGD computation for secured loans is based on an internal model which factors post default recovery rates and collateral value; for unsecured loans, LGD is taken as a standard estimate in line with the Foundational-Internal Rating Based (F-IRB) approach. LGD for stage 1 & 2 assets, thus determined, is subject to a minimum floor of 20%. For Stage 3 loans, the Company determines ECL requirement based on cash flows expected over the future time period.

Exposure at default (EAD)

Exposure at default represents the outstanding balance at the reporting date taking into account expected drawdowns on committed facilities, including repayments of principal and interest, and accrued interest from missed payments.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the fixed deposits and investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach. The Company has followed simplified approach of ECL provisioning on its trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:

RBI vide circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, provides that NBFCs which are required to comply with Indian Accounting Standards (Ind As) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per the ICAI guidelines for recognition of the impairments. The Company follows the aforesaid circular.



51. Financial risk management (continued)

A. Movement of expected credit loss on advances:

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Management Overlay	Total
Opening balances as at April 01, 2022	2,481.66	93.91	1,215.04	-	273.79	4,064.40
Changes in the loss allowance during the year:						
Transfer to Stage 1	5.33	(3.44)	(1.89)	-	-	-
Transfer to Stage 2	(202.42)	205.34	(2.92)	-	-	-
Transfer to Stage 3	(1,727.12)	(395.09)	2,122.21	-	-	-
New loans originated during the year	2,222.79	166.92	337.66	-	-	2,727.37
Other movements (on account of changes in EAD)	1,065.74	306.30	909.97	-	-	2,282.01
Management overlay*	-	-	-	-	(273.79)	(273.79)
Closing balance as at March 31, 2023	3,845.98	373.94	4,580.07	-	-	8,799.99
Opening balance as at April 01, 2021	1,197.28	75.03	1,011.00	-	270.00	2,553.31
Changes in the loss allowance during the year:						
Transfer to Stage 1	2.95	(2.44)	(0.51)	-	-	-
Transfer to Stage 2	(64.73)	64.90	(0.17)	-	-	-
Transfer to Stage 3	(887.16)	(34.09)	921.25	-	-	-
New loans originated during the year	2,156.49	28.68	168.15	-	-	2,353.32
Other movements (on account of changes in EAD)	76.83	(38.17)	(884.68)	-	-	(846.02)
Management overlay	-	-	-	-	3.79	3.79
Closing balance as at March 31, 2022	2,481.66	93.91	1,215.04	-	273.79	4,064.40

* There is no reversal on account of management overlay, the same has been incorporated in the ECL Model itself during the year ended March 31, 2023.

B. Movement of expected credit loss (ECL) on loan commitments:

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2022	-	-	-	-
Changes in the loss allowance during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2023	-	-	-	-
Opening balances as at April 01, 2021	8.69	-	-	8.69
Changes in the loss allowance during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	(8.69)	-	-	(8.69)
Closing balance as at March 31, 2022	8.69	-	-	8.69

C. Movement in gross carrying amount of advances:

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2022	240,279.65	3,255.34	5,641.15	-	249,176.14
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	1,384.17	(1,164.23)	(219.94)	-	-
Transfer to Stage 2	(5,647.62)	5,742.82	(95.20)	-	-
Transfer to Stage 3	(4,284.81)	(715.97)	5,000.78	-	-
New loans originated during the year	266,582.08	4,562.11	709.85	-	271,854.04
Other movements (on account of changes in EAD)	(128,893.77)	(1,232.62)	(1,467.59)	-	(131,593.98)
Closing balance as at March 31, 2023	369,419.70	10,447.45	9,569.05	-	389,436.20
Opening balance of gross carrying amount as at April 01, 2021	124,036.19	3,751.00	3,044.42	-	130,831.61
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	430.59	(289.11)	(141.48)	-	-
Transfer to Stage 2	(2,004.44)	2,010.61	(6.17)	-	-
Transfer to Stage 3	(4,175.51)	(277.22)	4,452.73	-	-
New loans originated during the year	194,379.04	1,198.16	843.55	-	196,360.75
Other movements (on account of changes in EAD)	(72,326.22)	(3,138.10)	(2,551.90)	-	(78,016.22)
Closing balance as at March 31, 2022	240,279.65	3,255.34	5,641.15	-	249,176.14



51. Financial risk management (continued)

D. Movement in loan commitments:

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2022	882.60	-	-	882.60
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	4,477.45	-	-	4,477.45
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(882.60)	-	-	(882.60)
Closing balance as at March 31, 2023	4,477.45	-	-	4,477.45
Opening balance as at April 01, 2021	1,381.88	-	-	1,381.88
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	882.60	-	-	882.60
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(1,381.88)	-	-	(1,381.88)
Closing balance as at March 31, 2022	882.60	-	-	882.60

E. Details of collaterals received against loan portfolio:

Nature of security against advances:

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan

Advances other than credit impaired advances (LTV band-wise):

LTV ratio	As at March 31, 2023		As at March 31, 2022	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	51,968.44	1,247.82	152,906.62	1,563.92
51% - 70%	740.40	2.04	-	-
71%-90%	181,887.88	933.51	-	-
> 90%	-	-	-	-

Credit impaired advances (LTV band-wise):

LTV ratio	As at March 31, 2023		As at March 31, 2022	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	2,086.38	502.21	3,033.97	325.26
71%-90%	4.89	1.43	-	-
> 90%	1,690.62	299.90	-	-



51. Financial risk management (continued)

b. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset liability management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2023:

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow):							
Cash and cash equivalents	4,014.77	4,014.77	4,014.77	-	-	-	-
Bank balances other than cash and cash equivalents above	17,169.19	17,169.19	3,412.54	988.26	6,432.63	6,334.40	1.36
Derivative financial instruments	-	-	-	-	-	-	-
Loans	389,436.20	384,849.48	31,274.12	51,371.24	63,369.04	173,134.43	65,700.65
Investments	6,011.52	6,011.52	-	-	-	6,011.52	-
Other financial assets (Refer Note 8)	2,534.41	2,534.41	-	1,803.57	-	730.84	-
Financial liabilities (outflow):							
Derivative financial instruments	9.27	9.27	-	-	9.27	-	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	145.97	145.97	-	145.97	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	1,168.80	-	1,168.80	-	-	-
(B) 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	96.78	96.78	-	96.78	-	-	-
Debt securities	114,434.45	116,296.98	4,134.04	17,096.13	48,270.31	46,796.50	-
Borrowings (other than debt securities)	200,459.00	203,864.05	6,151.02	20,367.12	54,704.52	122,546.39	95.00
Other financial liabilities (Refer Note 22)	7,734.85	8,524.00	95.20	4,110.26	859.76	3,430.89	27.89

*Carrying amount reported above is on a gross basis.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2022:

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (Inflow):							
Cash and cash equivalents	6,574.94	6,574.94	6,574.94	-	-	-	-
Bank balance other than cash and cash equivalents	12,263.11	12,263.11	562.29	5,061.49	755.98	5,881.92	1.43
Derivative financial instruments	22.29	22.29	-	-	22.29	-	-
Loans	249,176.14	244,841.52	14,557.20	18,930.32	46,775.13	123,644.55	40,934.32
Investments	6,944.83	6,854.27	-	-	2,663.90	4,190.37	-
Other financial assets (Refer Note 8)	792.79	792.79	-	139.20	228.38	425.21	-
Financial liabilities (outflow):							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	0.08	0.08	-	0.08	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	666.93	666.93	-	666.93	-	-	-
(B) 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	42.21	15.04	-	15.04	-	-	-
Debt securities	70,441.43	71,924.34	5,479.87	6,255.99	18,438.72	31,049.76	10,700.00
Borrowings (other than debt securities)	109,783.21	111,572.30	3,242.70	10,458.32	33,111.47	64,509.81	250.00
Other financial liabilities (Refer Note 22)	4,722.36	5,470.75	78.07	1,753.94	639.48	2,902.39	96.87

*Carrying amount reported above is on a gross basis.



51. Financial risk management (continued)

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2023:

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,477.45	4,477.45	-	-
Other commitments	-	5,141.44	5,141.44	-	-
Capital commitments (outflow)	-	760.50	373.50	387.00	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2022:

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	882.60	882.60	-	-
Other commitments	-	872.99	-	872.99	-
Capital commitments (outflow)	-	185.00	185.00	-	-

The Company has disclosed the below information as stated in the RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).
The Company had not raised any public deposits.
The details of the borrowings are given below:

Sr.No.	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities
1	27	230,164.77	69.29%

* The Principal outstanding amounts as on March 31, 2023 have been considered above.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company had not accepted any deposits during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings):

Particulars	As at March 31, 2023	As at March 31, 2022
Total borrowings from ten largest lenders *	142,894.94	84,607.78
Percentage of borrowings from ten largest lenders to total borrowings of the Company	45.34%	46.62%

* The amount considered above excludes unamortised borrowing costs.

(iv) Funding concentration based on significant instrument/ product:

Sr No.	Name of instrument/ product	As at March 31, 2023		As at March 31, 2022	
		Amount (₹ lakh)	% of total liabilities	Amount (₹ lakh)	% of total liabilities
1	Term loans facilities	175,568.18	52.86%	105,628.37	55.96%
2	Cash credit / overdraft facilities	3,477.93	1.05%	2,567.71	1.36%
3	Non-convertible debentures	83,338.23	25.09%	54,670.00	28.96%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	16,339.99	4.92%	3,419.61	1.81%
5	Commercial paper	12,500.00	3.76%	12,000.00	6.36%
6	External Commercial borrowing	23,945.67	7.21%	3,131.29	1.66%
Total		315,170.00	94.89%	181,416.98	96.11%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023			As at March 31, 2022		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	3.97%	3.76%	2.90%	6.61%	6.36%	4.20%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous year.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023			As at March 31, 2022		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit/ overdraft facilities	1.10%	1.05%	0.81%	1.42%	1.36%	0.90%
Working capital	1.89%	1.79%	1.38%	0.00%	0.00%	0.00%

The Principal outstanding amounts as on March 31, 2023 and March 31, 2022 have been considered above.

(vi) Institutional set-up for liquidity risk management:

The Company has an asset liability management committee (ALCO) that is formed in accordance with the Directions issued by the Reserve Bank of India. The asset liability committee takes into account interest rate forecasts and spreads, the internal cost of funds, operating results, projected funding needs, projected loan disbursements, liquidity position, loan loss reserves to outstanding loans, funding strategies. This committee reviews the fund position, asset liability maturity profile, variance between forecast and actuals of the preceding quarter, analysis of sensitivity of interest rates variation in various buckets, what if scenario analysis, etc. The Company maintains a positive cumulative mismatch in all buckets.



51. Financial risk management (continued)

c. Market risk:

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing/ lending cost including proportion of fixed and floating rate borrowings/ loans so as to manage the impact of changes in interest rates.

Exposure to price risk:

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through statement of Profit and Loss.

Interest rate risk:

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:

- Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.
- Economic value perspective – change in market value of the company due to change in the company's assets, liabilities and off-balance sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	165,035.27	69,642.00
Fixed rate borrowings	150,134.73	111,774.98
Total borrowings	315,170.00	181,416.98

The Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average cost	10.60%	9.78%
Outstanding balance	165,035.27	69,642.00
% of total borrowings	52.36%	38.39%
Sensitivity :	Impact on profit or loss	
Particulars	As at March 31, 2023	As at March 31, 2022
*Interest rate - increase by 1%	(1,166.67)	(602.80)
*Interest rate - decrease by 1%	1,166.67	602.80

* Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises mainly on account of the foreign currency borrowings. The Company manages this foreign currency risk by entering into cross-currency interest rate swaps/ full currency swaps and forward contracts. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds the derivative financial instruments such as cross-currency interest rate swaps, full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management:

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

Particulars	As at March 31, 2023	As at March 31, 2022
The gearing ratio at each date were as follows:		
*Debt (I)	318,411.60	183,083.40
Less: Cash and cash equivalents (II) (Refer Note 3)	4,014.77	6,574.94
Net debt (I - II)	314,396.83	176,508.46
Total equity	98,404.31	96,656.32
Net debt to equity ratio	3.19	1.83

* Debt includes debt securities, borrowings and lease liabilities.



(Rupees in lakh)

52.Details of all collaterals used as security for liabilities

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2023	As at March 31, 2022
Assets type:		
Loans receivable as collateral under lending agreements	342,953.54	180,756.52
Loans receivable as collateral under PTC agreements	2,306.96	348.88
Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	-	100.30
Fixed deposits as collateral under lending agreements	9,124.95	11,493.08
Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	2,096.91	762.29



53. Income tax

a. The major components of tax expense for the year ended March 31, 2023 and March 31, 2022:

Sr.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Statement of profit and loss: Profit and loss section: Current income tax: Tax for current year as per minimum alternate tax Deferred tax : Tax expense on origination and (elimination) of temporary differences Excess/ short provision of tax of earlier years: Tax expense for earlier years as per minimum alternate tax	2,298.62 1,828.08 278.50	660.90 (98.18) -
	Income tax expense reported in the Statement of profit and loss	4,405.20	562.72
2	Other comprehensive income (OCI) section: Deferred tax: Net (loss)/ gain on remeasurement of defined benefit obligations The effective portion of gains and loss on hedging instrument in a cash flow hedge	(7.00) 13.20	7.47 2.62
	Income tax expense reported in the OCI section	6.20	10.09

b. Reconciliation of effective tax rate:

Sr.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Profit before tax as per books	8,382.84	2,017.78
2	Book profit as per MAT	13,156.03	3,782.60
3	Applicable income tax rate	29.12%	29.12%
4	Tax rate as per MAT	17.47%	17.47%
5	Tax at the applicable income tax rate on profit before tax (A)	2,441.08	587.58
6	Tax effect of amounts not deductible/not taxable while calculating taxable income		
	-Corporate social responsibility	15.29	5.70
	-Excess interest spread receivable on direct assignment and Co-lending transactions	-	(20.48)
	-Interest /penalty on TDS	-	0.02
	-Other adjustments	59.21	(10.10)
	-Impact on account of brought forward losses	1,889.62	-
	Total of adjustments (B)	1,964.12	(24.86)
7	Total tax impact (excl. MAT related adjustments) (C) = (A) - (B)	4,405.20	562.72
8	Tax under MAT (Current Tax)	2,577.12	660.90
9	Less: MAT credit entitlement (D)	(2,577.12)	(660.90)
10	Total Deferred tax (E) = (D) - (C)	1,828.08	(98.17)
11	Total Tax expense/(refund)	4,405.20	562.72

* The applicable tax rate is the rate prescribed under the Income tax act, 1961.



53. Income tax (continued)

c. Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss:

Sr.	Particulars	Balance sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Deferred tax assets (DTA)				
1	Provision for compensated absences	175.91	83.72	92.19	33.97
2	Provision for gratuity	50.04	24.36	25.68	3.65
3	Deferred revenue income - processing fees allowed upfront in income tax	1,740.14	836.37	903.77	478.03
4	Provision for impairment losses on financial instruments	2,628.18	1,249.12	1,379.06	503.07
5	Lease rentals expense under Ind AS 116	93.63	100.25	(6.62)	28.26
6	Preliminary expenses (gross)	7.13	69.81	(62.69)	(62.69)
7	ESOS expenses disallowance	217.44	217.44	(0.00)	(31.20)
8	Unutilised minimum alternate tax credit entitlement	4,105.37	1,587.34	2,518.03	660.90
9	Income tax losses carried forward	3,025.64	2,856.51	169.13	107.59
10	Others	417.30	205.20	212.10	176.33
11	Total (A)	12,460.78	7,230.12	5,230.65	1,897.91
B	Deferred tax liabilities (DTL)				
1	Difference in written down value of property, plant and equipment and intangible assets	342.76	218.84	123.92	61.05
2	Receivables on EIS Direct assignment and Co-lending transactions	4,200.47	447.75	3,752.72	425.48
3	Unrealised gain/ (loss) on investments	-	(0.00)	0.00	(3.91)
4	Prepaid fees/ charges on debt securities allowed upfront in income tax	542.37	348.20	194.17	234.59
5	Prepaid fees/ charges on borrowings allowed upfront in income tax	991.55	624.58	366.97	263.46
6	Deferred loan sourcing cost allowed upfront in income tax	3,819.62	1,209.12	2,610.51	829.15
7	Others	16.65	-	16.65	-
8	Total (B)	9,913.42	2,848.49	7,064.94	1,809.82
C	Deferred tax asset/ (liability)	2,547.36	4,381.63	-	-
D	Deferred tax expense/ (benefit)	-	-	1,834.29	(88.09)

d. Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

There are no deductible temporary differences, unused tax losses and unused tax credits for which deferred tax assets have not been recognised.



54. Fair value of financial instruments :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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 place limited reliance on the 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.

a. Fair value hierarchy of financial instruments classified in amortised cost category:

Particulars	Fair value as on March 31, 2023			Carrying value as on March 31, 2023	Fair Value as on March 31, 2022			Carrying value as on March 31, 2022
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Loans	-	-	380,707.90	389,436.20	-	-	240,905.99	249,176.14
Investments	4,069.86	-	-	4,262.60	3,972.12	-	-	4,296.72
Other financial assets (Refer Note 8)	-	-	2,534.41	2,534.41	-	-	792.79	792.79
Total	4,069.86	-	383,242.31	396,233.21	3,972.12	-	241,698.78	254,265.65
Liabilities								
Debt securities	-	113,013.35	-	114,434.45	-	74,189.29	-	70,441.43
Borrowings (other than debt securities)	-	204,193.98	-	200,459.00	-	101,864.90	-	109,783.21
Other financial liabilities (Refer Note 22)	-	-	7,734.85	7,734.85	-	-	4,722.36	4,722.36
Total	-	317,207.33	7,734.85	322,628.30	-	176,054.19	4,722.36	184,947.00

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value:

Short-term financial assets and liabilities:

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, are a reasonable approximation of their fair value. Such instruments include: other financial assets and other financial liabilities.

Loans and advances to customers:

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Debt securities and Borrowings:

The fair values of these 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 identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

b. Fair value hierarchy of financial instruments classified in FVTPL category:

Particulars	Fair value as on March 31, 2023			Carrying value as on March 31, 2023	Fair Value as on March 31, 2022			Carrying value as on March 31, 2022
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	-	-	-	-	-	-	-	-
Investments in security receipts	-	1,748.92	-	1,748.92	-	2,648.11	-	2,648.11
Total	-	1,748.92	-	1,748.92	-	2,648.11	-	2,648.11

There were no transfers between Level 1 and Level 2 during the year.



Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

55. Maturity profile of assets and liabilities:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Financial assets:						
Cash and cash equivalents	4,014.77	-	4,014.77	6,574.94	-	6,574.94
Bank balances other than cash and cash equivalents above	10,831.75	6,334.39	17,166.14	6,379.17	5,881.08	12,260.25
Derivative financial instruments	-	-	-	22.29	-	22.29
Loans	143,460.05	237,176.16	380,636.21	77,786.65	167,325.09	245,111.74
Investments	-	6,010.69	6,010.69	2,648.11	4,295.88	6,943.99
Other financial assets (Refer Note 8)	1,800.39	730.84	2,531.23	364.41	425.21	789.62
Non-financial assets:						
Current tax assets (net)	203.78	-	203.78	164.23	-	164.23
Deferred tax asset (net)	-	2,547.36	2,547.36	-	4,381.63	4,381.63
Property, plant and equipment	-	379.30	379.30	-	430.43	430.43
Non-current assets held for sale	2,194.55	-	2,194.55	-	-	-
Right of use asset	922.46	2,441.62	3,364.08	631.68	1,906.60	2,538.28
Capital work in progress	2.82	-	2.82	20.25	-	20.25
Intangible assets under development	1,431.41	-	1,431.41	568.54	-	568.54
Other intangible assets	-	4,741.53	4,741.53	-	2,602.04	2,602.04
Other non-financial assets (Refer Note 17)	4,721.27	613.54	5,334.81	278.27	2,803.56	3,081.83
Total	169,583.25	260,975.43	430,558.68	95,438.54	190,051.52	285,490.06
Liabilities:						
Financial liabilities:						
Derivative financial instruments	9.27	-	9.27	-	-	-
(A) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	145.97	-	145.97	0.08	-	0.08
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	-	1,168.80	569.43	97.50	666.93
(B) 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	96.78	-	96.78	15.04	27.17	42.21
Debt securities	68,107.94	46,326.51	114,434.45	29,037.79	41,403.64	70,441.43
Borrowings (other than debt securities)	79,954.55	120,504.45	200,459.00	46,027.44	63,755.77	109,783.21
Other financial liabilities (Refer Note 22)	4,756.68	2,978.17	7,734.85	2,212.59	2,509.77	4,722.36
Non-financial liabilities:						
Provisions	5,000.79	775.92	5,776.71	2,316.05	371.17	2,687.22
Current tax liabilities (net)	1,567.77	-	1,567.77	126.07	-	126.07
Other non-financial liabilities (Refer Note 25)	760.77	-	760.77	364.23	-	364.23
Total	161,569.32	170,585.05	332,154.37	80,668.72	108,165.02	188,833.74



56. Disclosure pursuant to IndAS 7 'Statement of Cash Flows' - changes in liabilities arising from financing activities:

Particulars	As at April 01, 2022	Cash inflow/ (outflow)	Creation of right of use assets*	As at March 31, 2023
Debt securities	70,376.77	44,057.68	-	114,434.45
Borrowings (other than debt securities)	109,807.09	90,651.91	-	200,459.00
Other financial liabilities				
Lease liabilities	2,858.76	(781.38)	1,440.77	3,518.15

*The figures represent net of creation, remeasurement and deletion of right of use assets.

Particulars	As at April 01, 2021	Cash inflow/ (outflow)	Creation of right of use assets	As at March 31, 2022
Debt securities	31,557.55	38,819.22	-	70,376.77
Borrowings (other than debt securities)	45,011.94	64,795.15	-	109,807.09
Other financial liabilities				
Lease liabilities	1,340.97	(407.17)	1,924.96	2,858.76

57. Financial assets are transferred but not derecognised in their entirety:

a. Securitisation

Particulars	As at March 31, 2023		As at March 31, 2022	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of assets	18,252.35	-	3,633.76	-
Carrying amount of associated Liabilities	16,339.99	-	3,419.61	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	18,348.09	-	3,657.84	-
Fair value of associated liabilities (B)	16,385.17	-	3,426.42	-
Net position (C) = (A - B)	1,962.92	-	231.42	-

b. Assignment and Colending

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment and colending, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset.

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of de-recognised financial asset	144,807.71	50,558.53
Carrying amount of retained asset at amortised cost	31,866.75	6,945.20
Net gain on sale of the de-recognised financial asset*	15,407.22	2,693.46

*It represents net gain on derecognition of financial asset for the year ended March 31, 2023 and March 31, 2022.



58. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification"), as updated from time to time.

a. Capital to risk assets ratio (CRAR)

Particulars	As at March 31, 2023	As at March 31, 2022
i) CRAR (%)	20.23	34.37
ii) CRAR - Tier I capital (%)	19.63	33.61
iii) CRAR - Tier II capital (%)	0.60	0.76
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of perpetual debt instruments	-	-

b. Investments

Particulars	As at March 31, 2023	As at March 31, 2022
(1) Value of investments		
i. Gross value of investments		
(a) In India	6,011.52	6,944.83
(b) Outside India,	-	-
ii. Provision for depreciation		
(a) In India	0.83	0.84
(b) Outside India,	-	-
iii. Net value of investments		
(a) In India	6,010.69	6,943.99
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments.		
Opening balance	0.84	
Add : provisions made during the year	-	0.84
Less : Write-off/ write-back of excess provisions during the year	0.01	-
Closing balance	0.83	0.84

c. Derivatives

1. Forward Rate Agreement (FRA)/ Interest Rate Swap (IRS)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
I	The Notional principal of swap agreement	23,746.43	3,109.43
II	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(liability))	(9.27)	22.29

2. Exchange traded interest rate (IR) derivatives

The Company has not entered into any exchange traded derivative.

3. Disclosures on risk exposure and derivatives

Qualitative disclosures

I. The Company undertakes the derivative transactions to prudently hedge the risk in context of a particular borrowing or diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transaction. The Company reviews the proposed transaction and outlines any consideration associated with the transaction, including identification of the benefits and potential risks (worst case scenario) ; an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz. , counter party risk , market risk, operational risk, basis risk etc.

II. Credit risk is controlled by restricting the counter parties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/ price risk arising from the fluctuation of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counter parties to those who have adequate facility, sufficient information and sizable trading capacity and capability to enter into transactions in any market around the world.

III. The respective functions of trading, confirmation and settlement should be performed by different personnel. The front-office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.



Quantitative Disclosures

Sr. No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		Currency Derivatives**	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	23,746.43	-	3,109.43	-
II	Market to market position (a) Asset [+] Estimated Gain	-	-	22.29	-
	(b) Liability [-] Estimated Loss	(9.27)	-	-	-
III	Credit Exposure	23,737.16	-	3,131.72	-
IV	Unhedged exposures	-	-	-	-

* Cross-currency interest rate swap

** Cross-currency interest rate swap and full currency swap

d. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/85 Master Direction DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (the "Notification"), as updated from time to time.

Details of securitization:

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	No of SPVs sponsored by the applicable NBFC for securitization transactions*	10.00	3.00
2	Total amount of securitized assets as per books of the SPVs sponsored	18,252.35	3,633.76
3	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of Balance Sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	First loss	2,306.96	348.88
4	Amount of exposures to securitization transactions other than MRR		
	a. Off - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	2,096.91	762.29
	Others	-	-
ii) Exposure to third party securitization			
First loss	-	-	
Others	-	-	

*Only the SPVs relating to outstanding securitization transactions.



Notes forming part of the financial statements (continued)
 For the year ended March 31, 2023

(Rupees in lakh)

d. Disclosures relating to securitization (continued)

Details of financial assets sold to securitization/ reconstruction company for assets reconstruction:

During the current and previous year, the Company has not entered into any sale of financial assets to any securitization/ reconstruction company for assets reconstruction.

Details of assignment transactions undertaken during the year:

Sr No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		No. of accounts	Aggregate value (net of provisions) of accounts assigned*	No. of accounts	Aggregate value (net of provisions) of accounts assigned*
1.			2,641		1,853
2.			47,746.89		29,135.80
3.			47,746.89		29,135.80
4.	Additional consideration realized in respect of accounts transferred in earlier years		-		-
5.	Aggregate gain/ loss over net book value		-		-

*Details pertaining to direct assignment transactions entered during the year.

Details of non-performing financial assets purchased/ sold:

During the current and previous year the Company has not entered into any purchase or sale of any non performing financial assets. Also Refer Note no. 63.

e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2023 as follow:

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	10,495.73	3,542.47	17,234.03	22,353.02	26,466.63	24,592.81	38,773.37	127,824.46	45,309.97	72,841.71	389,436.20
Investments**								3,311.04	2,700.43		6,011.52
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	2,734.91	149.66	3,153.01	9,158.79	10,977.88	19,640.91	34,139.40	94,418.75	25,991.54	94.15	200,459.00
Market borrowings (Debt Securities)	-	-	3,917.39	4,812.51	11,922.07	8,270.72	39,185.25	33,039.57	13,286.94	-	114,434.45

* Impairment loss allowance of Rs 8,799.99 lakh on advances is not a part of the above disclosure.

** Impairment loss allowance of Rs 0.83 lakh on investments is not a part of the above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2022 as follow :

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	7,819.67	2,199.02	4,609.91	7,962.82	10,994.70	20,887.39	26,011.27	89,636.76	30,666.00	48,368.60	249,176.14
Investments	-	-	-	-	-	-	2,648.11	-	4,296.72	-	6,944.83
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	542.51	992.33	1,651.26	5,588.46	4,673.27	12,406.70	20,172.91	54,633.62	8,874.21	247.94	1,06,998.97
Market borrowings (Debt Securities)	1,801.10	76.83	3,459.12	4.27	6,003.58	6,529.34	11,163.56	25,173.80	5,530.86	10,698.97	70,441.43

* Impairment loss allowance of Rs 4,064.40 lakh on advances is not a part of the above disclosure.

** Impairment loss allowance of Rs 0.84 lakh on investments is not a part of the above disclosure.



Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

f. Exposures:

Category		As at March 31, 2023	As at March 31, 2022
a)	Exposure to real estate sector:		
	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. Exposure would also include non-fund based (NFB) limits.	1,25,965.38*	100,526.69*
(ii)	Commercial real estate: Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
(iii)	Investments in mortgage backed securities (MBS) and other securitised exposures:		
	a. Residential	-	-
	b. Commercial real estate	-	-
	B. Indirect exposure		
(i)	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	-	-
Total exposure to real estate sector		125,965.38	100,526.69

* These comprise of properties held as underlying security at gross exposure at default.

Particulars		As at March 31, 2023	As at March 31, 2022
b)	Exposure to capital market:		
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt.	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of 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 stockbrokers and market makers.	-	-
(vi)	loans 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		-	-

g. Details of financing of parent company products:

The Company does not have any parent company hence, this clause is not applicable.

h. Details of single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company:

Particulars	F-188	As at March 31, 2023	As at March 31, 2022
Single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company.		-	-



(Handwritten signature)

Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

i. Unsecured advances:

Details of unsecured advances the rights, licenses, authorisations, etc. charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
Advances against securities of intangible assets	-	-

j. Registration obtained from other financial sector regulators:

Particulars	Type	Number Reference
IRDA	Corporate Agent	CA0733

k. Disclosure of penalties imposed by RBI and other regulators:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Nil	-	-

During the current year and the previous year, there are no penalties imposed by the RBI and other regulators.

l. Related party transactions:

Details of all material transactions with related parties has been given in note 43 of the financial statements.

m. Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2023:

Rating agency	Type	Rating FY 22-23	Rating FY 21-22
India Ratings & Research Private Limited	Bank loans (long term)	IND A/Stable	-
CRISIL Ratings Limited	Bank loans (long term)	CRISIL A-/Positive	-
CRISIL Ratings Limited	Tier II Bond	CRISIL A-/Positive	-
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A-/Positive	-
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A-/Positive	-
CRISIL Ratings Limited	Commercial paper	CRISIL A1	-
Acuite Rating & Research Limited	Bank loans (long term)	ACUITE A/Stable	ACUITE A+/Stable
Acuite Rating & Research Limited	Commercial paper (short term)	ACUITE A1	ACUITE A1+
Acuite Rating & Research Limited	Non-convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE AA-/CE/Stable	PP-MLD/ACUITE AA+/CE/Stable
Acuite Rating & Research Limited	Non-convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE A/Stable	PP-MLD/ACUITE A+/Stable
Acuite Rating & Research Limited	Non-convertible debentures (long term)	ACUITE A / stable	ACUITE A+ / stable

n. Remuneration of directors:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transactions with the Independent directors		
Directors' Sitting Fees	189.00	171.00

Refer Note 43 for remuneration to executive directors.

o. During the year there are no changes in the accounting policies and no prior period items (Refer Note 1).

p. Provisions and contingencies:

Particulars	As at March 31, 2023	As at March 31, 2022
Provision towards NPA	4,580.07	1,488.83
Provision made towards income tax	1,567.77	126.07
Provision for depreciation on investments	0.83	0.84
Provision for depreciation on fixed deposits	3.05	2.86
Provision for depreciation on other receivables	3.17	3.17
Provision for gratuity	171.83	83.65
Provision for compensated absences	604.09	287.52
Provision for bonus	F-189 1,200.00	700.00
Provision for expenses	3,800.79	1,616.05
Provision for standard assets	4,219.92	2,575.57

(Rupees in lakh)

q. Draw down from reserves:

During the year, the Company has not drawn any amount from the reserves.

r. Concentration of deposits, advances, exposures and NPAs:

(i) Concentration of advances:

Particulars	As at March 31, 2023	As at March 31, 2022
Total advance to twenty largest borrowers	12,050.35	12,099.18
Percentage of advances to twenty largest borrowers to total advances of the Company	3.32%	4.98%

(ii) Concentration of exposures:

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to twenty largest borrowers	12,079.77	12,099.18
Percentage of exposures to twenty largest borrowers to total exposure of the Company	3.20%	4.98%

(iii) Concentration of NPAs:

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to top four NPA accounts	1,447.12	1,454.67

s. Sector-wise NPAs:

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2023	As at March 31, 2022
1	Agriculture & allied activities	-	-
2	MSME	2.41%	2.11%
3	Corporate borrowers	100.00%	87.07%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note : The base considered for calculation of sector-wise NPA for Corporate borrowers has decreased from 2 customers amounting to Rs 547.88 lakh as at March 31, 2022 to 1 customer amounting to Rs 471.14 lakh as at March 31, 2023 resulting in a higher percentage of NPA as at March 31, 2023.

t. Movement of NPAs:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net NPAs to net advances (%)	1.31%	1.70%
(ii) Movement of NPAs (gross)		
(a) Opening balance	5,641.15	3,647.71
(b) Additions during the year	5,720.50	4,671.57
(c) Reductions during the year	1,792.60	2,678.13
(d) Closing balance	9,569.05	5,641.15
(iii) Movement of Net NPAs		
(a) Opening balance	4,152.32	2,297.45
(b) Additions during the year	3,530.19	3,364.96
(c) Reductions during the year	2,693.53	1,510.09
(d) Closing balance	4,988.98	4,152.32
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,488.83	1,350.25
(b) Provisions made during the year	3,357.50	242.63
(c) provisions	266.26	104.05
(d) Closing balance	4,580.07	1,488.83



Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

u. Overseas assets (for those with joint ventures and subsidiaries abroad):

There are no overseas assets.

v. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

w. Customer complaints:

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	No. of complaints pending as at the beginning of the year	1	Nil
(b)	No. of complaints received during the year	175	30
(c)	No. of complaints redressed during the year	171	29
(d)	No. of complaints pending as at the end of the year	5	1

x. Revenue recognition:

There is no postponement of revenue due to pending resolution of significant uncertainties.

